

JPRS-SEA-87-022

17 FEBRUARY 1987

Southeast Asia Report

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TEXT OF FOREIGN MINISTRY STATEMENT ON ARMS STOCKPILE

BK171026 Vientiane KPL in English 0851 GMT 17 Jan 87

[Text] Vientiane, January 17 (OANA-KPL)--The Lao Foreign Ministry issued here yesterday a statement qualifying the Thai-U.S. arms stockpile pact signed on Jan 9, as a destabilizing factor and a longterm threat to the peoples of the whole Southeast Asia.

Following is the full text of the statement:

The Thai defence minister Phaniang Kantarat and the U.S. ambassador to Thailand, William Brown, signed in Bangkok on Jan 9, the arms stockpile pact envisaging the building of a war reserve stockpile in Thailand, the reasoning of which is to allow Thailand to use the facilities of the U.S. arms and ammunition in case of emergency. Once coming into effect, this pact will make the Kingdom of Thailand the first country in Southeast Asia to permanently house the U.S. arms and ammunition stockpile overseas. The pact was signed while the Thai people are preparing the celebration of the 60th birthday of the king of Thailand. This is another intention of the U.S.A. to make a military come back in the region after its defeat in Indochina war in 1975.

The move of the U.S.A. in Thailand also shows that they are planning to carry out a U.S. and Thai joint war preparation in the region. It understandably creates tension in the Southeast Asia and directly threatens the security of all countries in the region--particularly, the three Indochinese countries because both the U.S.A. and Thailand are considering the Indochinese countries as their enemies.

The spokesman of the Lao Foreign Ministry energetically denounces this U.S.-Thai pact on the establishment of a U.S. war reserve stockpile in Thailand because it will increase the possibility of military confrontation between countries of the region. To safeguard the security of Thailand, the spokesman says, the Thai Government should have signed a peace and non-aggression agreement with the Indochinese countries as put forward on many occasions by the latter.

The Lao PDR as a direct neighbour of the Kingdom of Thailand, considers the installation of the war stockpile in Thailand as an act violating the Lao-Thai joint communiques signed in 1979 which stipulated that both sides will avoid threatening or making use of forces against each other and will never allow any other nation to use its territory as a military base to aggress and threaten the other country by any form....

The Lao Government and people once again reaffirm their just and reasonable policy, and stand ready to promote the cooperation with the Thai people as well as with the peoples of other nations in the Southeast Asia, to oppose all the dangerous moves and all forms of interference detrimental to peace, stability and security in the region and in the world. They are firmly convinced that the Thai people will never accept that their country be transformed as a detonator of a new war in the region.

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CSO: 4200/284

PASASON HAILS SOVIET PEACE STAND

BK151100 Vientiane KPL in English 0914 GMT 15 Jan 87

[Text] Vientiane, January 15 (ORA-KPL)--The leading daily PASASON, in its lead article today, hails the Soviet attitude and its constant stance for peace as proclaimed on the occasion of the first anniversary of the proposal made on the programme for a total elimination of nuclear weapons by the end of the year 2000 put forth by the CPSU CC's General Secretary M. Gorbachev on January 15, 1986.

The Soviet Union has spared no efforts to the realization of peace and security on earth. Its peace initiatives has, [as received] therefore, been broaden and profoundly supported by the world peace, progressive and justice-loving people, PASASON writes. The paper adds that throughout the U.N. International Year of Peace 1986, the Soviet Union not only put forth its peace proposals and undertook various important steps in its foreign policy aimed at promoting peace and easing tension, but the USSR also has exercised its unilateral moratorium on nuclear tests since Aug. 1985. And this unilateral moratorium stands effective, adds the paper, until the first U.S. nuclear explosion is set off in 1987. All those gestures serve as good ground for effective measures in so far as prevention of the arms race, PASASON stresses.

The paper condemns the U.S. plan to detonate its nuclear test on next Feb. 5, and describes this Washington act as a disregard to the urgent demand of the world peace for peace and for the removal of nuclear war threat.

However, the world people will never stand idly in face of the U.S. adventurous acts, PASASON concludes, and stresses the Lao people's demand for an immediate end of this adventurous action on the part of USA. Washington should follow the example of the Soviet good deeds to rid the earth of all types of nuclear weapons, it underlines.

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CSO: 4200/284

LEADERS THANK SRV COUNTERPARTS FOR GREETINGS

BK131146 Vientiane KPL in English 0902 GMT 13 Jan 87

[Text] Vientiane, January 13 (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, Phoumi Vongvichit, acting president of the republic and Sisomphon Levansai, acting president of the PSA (SPC) have sent a joint message to their Vietnamese counterparts for their message on the Lao National Day.

The message was conveyed to Nguyen Van Lich, general secretary of the CPV CC, Truong Chinh, president of the State Council, Pham Van Dong, chairman of the Council of Ministers and Nguyen Huu Tho, president of the National Assembly of the SRV.

The telegramme reads:

We highly appreciate your best wishes and at the same time express our gratitude for the consistent priceless support and assistance of the fraternal Vietnamese people to the Lao revolutionary cause.

We wish the fraternal Vietnamese people brilliant success in their implementation of the resolutions of the 6th Congress of the CPV CC.

We wish the special solidarity, militant solidarity and all-round cooperation between Laos and Vietnam be constantly developed and prospered.

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CSO: 4200/284

LLADERS SEND MESSAGE OF THANKS TO PRK FOR GREETINGS

BK131150 Vientiane KPL in English 0906 GMT 13 Jan 87

[Text] Vientiane, January 13 (KPL)--Lao leaders have cabled a message to Heng Samrin, general secretary of the PRPK [KPRP] CC, president of the State Council, Chea Sim, chairman of the National Assembly, and Hun Sen, chairman of the Council of Ministers, thanking them for their warm greetings on the 11th National Day of the Lao PDR.

The message was jointly signed by K. Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers of the Lao PDR, Phoumi Vongvichit, acting president of the republic, and S. Lovan-sai, acting president of the PSA [SPC].

In their message, the Lao leaders expressed their satisfaction and firm conviction over the continual development of the special alliance and all-round cooperation between Laos and Kampuchea. They wished the Kampuchean people, under the clear-sighted leadership of the PRPK, new and still greater successes in their national safeguarding and socialist building for the prosperity of the Kampuchean people.

On the same occasion, Foreign Minister P. [Phoun] Sipaseut has also sent a message of thanks to Kong Korm, foreign minister of Kampuchea.

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CSO: 4200/284

KAYSONE PHOMVIHAN, PHOUN SIPASEUT GREET DPRK COUNTERPARTS

BK140933 Vientiane Domestic Service in Lao 1200 GMT 13 Jan 87

[Text] Recently, Comrade Kaysone Phomvihan, chairman of the LPDR Council of Ministers, has sent message of greetings to Comrade Yi Kun-mo, premier of the DPRK, in Pyongyang. The message reads as follow:

On the occasion of your appointment as premier of the DPRK, I would like to extend sincere congratulations and best wishes to you, comrade. I wish you, comrade, good health and success in performing your noble tasks.

I take this occasion to wish for the continual development of the relations of friendship and cooperation between the LPDR and the DPRK for the benefits of the two countries--Laos and Korea--and for the interest of peace and socialism.

On the same occasion, Comrade Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs of the LPDR, has also sent a greetings message to Comrade Kim Yong-nam, vice premier and minister of foreign affairs of the DPRK.

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CSO: 4200/284

LEADERS GREET INDIAN LEADERS ON NATIONAL DAY

BK261136 Vientiane KPL in English 0913 GMT 26 Jan 87

[Text] Vientiane, January 26 (KPL)--Phoumi Vongvichit, acting-president of the republic, and Kaysone Phomvihane, chairman of the Council of Ministers of the Lao PDR, have sent greeting messages to Qiani Zail Singh and Rajiv Gandhi, respectively president and prime minister of the Republic of India.

The gist of the Lao acting-president's message follows:

"On the auspicious occasion of the 37th anniversary of the national day of the Republic of India, on behalf of the people of the Lao People's Democratic Republic and on my own behalf, I have great pleasure to express my warmest congratulations and best wishes for your personal good health and happiness, for progress and prosperity of the friendly Indian people.

"May the traditional relations of friendship and good cooperation between our two countries and peoples be further developed and strengthened for the common benefit of peace and stability in the world."

For his part, K. Phomvihane writes in his message as follows:

"On the occasion of the 37th anniversary of the national day of the Republic of India, on behalf of the government, the people of the Lao People's Democratic Republic and on my own behalf, I would like to extend to your excellency and through you to the government and people of India my sincere felicitations and best wishes.

"We are pleased to note that the friendly relations and cooperation between the two countries and people of Laos and India have continuously been developed. We also highly value the Republic of India's role in its contribution to the struggle against the arms race as carried out by the imperialists in order to safeguard peace and to free the world from the nuclear arms.

"Please accept my best wishes for your personal health and well-being and for the progress and prosperity of the friendly people of India."

Also on the same occasion, Phoun Sipaseat, vice-chairman of the Council of Ministers and minister for foreign affairs, has sent greetings to Narayan Datt Tiwari, minister of external affairs of India.

RELATIONS WITH AUSTRALIA PRAISED AT CEREMONY

BK271026 Vientiane KPL in English 0902 GMT 27 Jan 87

[Text] Vientiane, January 27 (KPL)--The friendship and cooperative relations between the Lao PDR and Australia were praised at a well-wishing ceremony for the Australian experts organized here yesterday, on the occasion of the Australian national day.

On behalf of the Lao Government, Khamsing Sai-Gnakon, deputy minister of agriculture, forestry, irrigation and cooperatives, formulated best wishes to the Australian experts working in the Lao PDR. "Despite differences in sociopolitical systems, the Lao PDR and Australia have identical aspirations for peace and cooperation," he said.

The deputy-minister highlighted the past assistance and cooperation between the two countries in agriculture, industry, communications and transport, education, public health, and others. He said that the Australian technical and material contributions serve as important factors for the developing of the agro-forestry production in Laos, thus enabling the country to basically solve foodstuffs problem since 1980.

K. Sai-Gnakon further expressed thanks to the Australian experts and to the Australian Government and people for their assistance and cooperation. He also expressed his conviction on the furtherance of bilateral assistance and cooperation in the future.

On the same occasion, Australian ambassador to Lao PDR, John B. Campbell, thanked the Lao side for its kind words and best wishes. The ambassador hoped that the Australian experts will actively fulfill their duties and to lend practical lessons to the Lao workers.

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CSO: 4200/284

PHOUN SIPASEUT GREETES MOZAMBIQUE FOREIGN MINISTER

BK200528 Vientiane KPL in English 0906 GMT 17 Jan 87

[Text] Vientiane, January 17 (KPL)--Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs, has cabled a message of congratulations to Pascoal Mocumbi, minister for foreign affairs of People's Republic of Mozambique [PRM].

The message wrotes: [as printed] "On the occasion of your nomination to the post of foreign minister of the PRM, on behalf of the Lao Foreign Ministry and in my own name, I am pleased to address to you my sincere and warm congratulations and best wishes of success in fulfilling your lofty mission."

The Lao foreign minister also expressed conviction that the friendship relations and militant solidarity between the two ministries and governments will be further developed and consolidated.

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CSO: 4200/284

DELEGATION TO WARSAW PARTY MEETING

BK171043 Vientiane KPL in English 0911 GMT 17 Jan 87

[Text] Vientiane, January 17 (KPL)—A delegation of the Lao People's Revolutionary Party led by Somlat Chanthamat, secretary of the LPRP, and head of its propaganda and training board, left here today for the People's Republic of Poland to attend the conference of the secretariats of the parties of the socialist countries, which is to be held in Warsaw on Jan 22-23.

During the conference, the participants will exchange their views on international situation, ideological questions. The promotion of cooperation among the fraternal socialist countries in the short and long terms, based on the socialist internationalism are also to be discussed.

The delegation was seen off at Wattai Airport by Choummali Sai-gnason, alternate member of the Politbureau of the LPRP CC, and deputy-minister of national defence and other high ranking officials.

Marian Fronczek, Yuriy Mikheyev and Nguyen Xuan, respectively extraordinary and plenipotentiary ambassadors of the People's Republic of Poland, the USSR and the Socialist Republic of Vietnam were also present at the airport.

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CSO: 4200/284

EDITORIAL MARKS PRK'S NATIONAL DAY ANNIVERSARY

RK110614 Vientiane Domestic Service in Lao 0430 GMT 7 Jan 87

[Editorial: "Cambodian Revolution Continues to March Forward Firmly"]

[Text] The great victory of the Cambodian people in crushing the Pol Pot-Ieng Sary genocidal regime on 7 January 1979 ushered in a new era of the Cambodian history. Following the victory, the PRK was established and the Cambodian people have become owners of their lives and have endeavored to build a new Cambodian country and lead it to march forward along the path of socialism.

Over the past 8 years, upholding revolutionary heroism and with their initiatives, the Cambodian people of various tribes have scored great, satisfactory achievements in many fields. They have securely defended their revolutionary gains, vigorously stepped up economic construction and development movements, and developed the national art and cultural work. With their earnest endeavor and persistent spirit, the Cambodian people have banished poverty and have now settled step by step the problem on requirements of food. The amount of rice and other crop production has been increased every year. In 1985 alone, despite acute natural disasters, the amount of food production even reached the same highest level as that achieved before the time of the Pol Pot regime; the number of domestic animals has increased by double as compared to that in 1979; and the production of rubber has been effectively resumed and perfected, thus contributing to increasing the volume of goods for export and to serving production work in the country. With regard to industry, although it is still young and there remain many difficulties, as many as 56 factories or plants have been consolidated, thus effectively serving the requirements in the country.

Educational, public health, and cultural works have been vigorously developed. At present, throughout Cambodia, one of every four people on the average has been educated. Primary schools have been set up in each canton while secondary schools have been set up in districts. High schools have been set up in 11 provinces or districts. There are altogether eight senior high schools or intermediate technical schools throughout the country. As of now, some 70 percent of the total of 1 million illiterate adults left behind by the Pol Pot-Ieng Sary regime have been able to read and write. The public health network has been extensively expanded. Mother and child care work has

been attentively carried out. Cultural work has been vigorously developed in accordance with the direction of combining the restoration of fine cultural tradition of the nation with the setting up of socialist cultural establishments.

With the vigorous assistance from the Vietnamese volunteer troops, the Cambodian Armed Forces scored very significant victories in the past dry season. They dismantled various nests of the shattered Cambodian reactionary forces along the Cambodian-Thai border. Following these victories of strategic significance, the Pol Pot clique and the Cambodian reactionaries have been driven into a position of serious weakness and collapse and their organizational system has been disrupted while disagreement and division have erupted in their ranks. These are considered the great victories in the military field of the Cambodian Army and people and the heavy defeats suffered by the enemies since 7 January 1979.

Following the great victories of the Cambodian people in the past 8 years, in particular those scored in 1985, the strength of the Cambodian revolution has been firmly enhanced. In the international arena, the prestige and status of the PRK have been increasingly raised to a higher level. As of now, 30 countries or international organizations have established diplomatic relations with the PRK. Coordinating closely with the two fraternal countries--Laos and Vietnam--the PRK has advanced peace proposals on many occasions on the maintenance of peace with a view to turning Southeast Asia into a region of peace, stability, friendship, and cooperation. These proposals have been wholeheartedly supported and highly appreciated by world public opinion.

The Fifth KPRP Congress has correctly and creatively adopted strategic guidelines aimed at stepping up the defense and construction of Cambodian country and leading it to march forward vigorously on the basis of the various great victories scored in the previous years. The resolutions of the congress have been enthusiastically implemented in revolutionary emulation campaigns among the people of various tribes who have overcome all difficulties and various trials to continue to lead the country to march forward.

Our Lao people and the LPA wholeheartedly hail the victories won by the fraternal Cambodian Army and people over the past 8 years and regard those victories as our own. We are of view that the various victories of Cambodia, first and foremost the fruits of the implementation, with the support and sympathy of the entire people, of the correct and clear-sighted revolutionary line as set forth by the KPRP, are victories of the relations of militant solidarity among the three nations of Laos, Vietnam, and Cambodia, the relations which were established and consolidated through the blood and lives of many generations of the three countries in the cause of resistance against imperialism and colonialism and which have been now promoted and expanded in the new, historical conditions.

Our Lao Army and people pledge to do our utmost to perfect and brighten forever the special militant solidarity between Laos and Cambodia as well as among Laos, Cambodian, and Vietnam. The strength of the special solidarity is invincible and it cannot be crushed by any enemy.

Entering 1987.-the ninth year of the people's republic system, the Cambodian people are facing various great tasks in light of the situation in which the international reactionaries have colluded with other reactionary forces in striving to foster and make use of the Cambodian reactionaries while carrying out general war of sabotage against the Cambodian people. The serious consequences left behind by the genocidal regime still need to be overcome and the country needs to be rebuilt. But, through the victories achieved in the previous years together with the lessons they have learned, with the special Cambodia-Vietnam-Laos militant alliance, and with the support and assistance from the Soviet Union, various socialist countries, and progressive and revolutionary forces throughout the world, the Cambodian people, under the clear-sighted and correct leadership of the KPRP, will certainly achieve new, ever greater victories and the strength of the Cambodian revolution will certainly be enhanced with each passing day. The Cambodian people will undoubtedly be able to defeat all sabotage schemes of the enemies and determinedly lead the country to march forward firmly along the path of socialism.

/9274

CSO: 4206/54

VIENTIANE CALLS ARMS STOCKPILE FORM OF U.S. BASE

BK110342 Vientiane Domestic Service in Lao 1200 GMT 3 Jan 87

[Unattributed commentary: "Arms Stockpile is a Form of Military Base"]

[Text] According to foreign reports, tomorrow [9 January] the United States and Thailand will officially sign a document on the establishment of a joint arms stockpile in Thailand. The U.S.-Thai decision in this issue has deeply disappointed the Thai people, because the closure of various U.S. bases in Thailand following the Indochina war was a result of the heroic struggle full of great sacrifices of the Thai students and people in general, and not of a U.S. willingness. The Thai people as well as progressive opinion regarded the closure of the U.S. bases in Thailand as an extremely important victory for the consolidation of peace and their national independence, and everyone was no longer concerned about the country's tranquillity and had a chance to concentrate on utilizing time and money on construction and development for the well-being and availability of jobs for every Thai citizen.

Nevertheless, this hope has now become dim as a result of the U.S. intention to reintroduce the presence of its troops in Thailand. Even though U.S. and Thai officials have said that the arms stockpile will store limited types of weapons, that it will be mostly for storing ammunition, and that it will be guarded by Thai soldiers only, this arms stockpile is a symbol of war preparation, a symbol of confrontation, and is aimed at opposing the Indochinese countries—Laos, Vietnam, and Cambodia.

U.S. officials have disclosed that the joint U.S.-Thai arms stockpile is aimed primarily at assisting Thailand in opposing Vietnam. It is inevitable that once one acts against other people, one is bound to face counteractions by other people. Then both sides will not be able to avoid hardships resulted from a clash. But those who will suffer hardships first will be the Thai people.

The general public also regards the joint U.S.-Thai arms stockpile is a form of military base. Even though no U.S. troops will be openly stationed in Thailand, at least there will be U.S. advisers there. Therefore, it is clear that the construction of the arms stockpile will constitute conditions for the return of U.S. troops to Thailand.

/9274

CSO: 4206/54

PASASON SUPPORTS PRK'S STAND ON THAI CHARGE

RK160722 Vientiane Domestic Service in Lao 1200 GMT 14 Jan 87

[PASASON 14 January commentary: "Support PRK's Stand and Correct Attitude"]

[Text] On 10 January the PRK Foreign Ministry spokesman issued a statement flatly rejecting Thailand's slanderous allegation that the Cambodian People's Armed Forces and Vietnamese volunteer forces violated Thai territory by shooting down its L-19 aircraft.

The PRK Foreign Ministry affirmed that the PRK always strictly respects Thailand's independence, sovereignty, and territorial integrity, and that the counteraction essentially conducted by the Cambodian people and army against all violations of Cambodian territory within its boundary is a legitimate right to self-defense, which undeniably conforms to international principles.

The statement points out that Thailand itself is the culprit behind repeated violations of the PRK's sovereignty and is a supporter of the routed Pol Pot group and other Cambodian reactionaries who have infiltrated from their strongholds in Thailand into Cambodian territory to cause difficulties for the Cambodian people's task of rebuilding a new life.

The statement clearly points out: In December 1986 alone, Thai aircraft of F-5, L-19, and A-37 types intruded on 45 occasions into Cambodian airspace from 8 to 10 km deep into Cambodian territory over various areas in Battambang, Seam Reap-Oddar Meanchey, Prea Vihear, and Koh Kong Provinces. Thai artillery units also fired more than 4,000 rounds at various areas in these provinces. Thai vessels also violated Cambodian waters from 9 to 20 miles on 500 occasions.

The statement notes that Thailand clamored about the evil news at a time when it was reaching a formal agreement authorizing the United States to build a huge arms stockpile on Thai soil and when it was intensifying its military cooperation with China. It also took place at a time when China was launching attacks against Vietnam's Ha Tuyen Province. This observation is correct and very reasonable since in late December Thailand also accused Laos and Vietnam, saying that Vietnamese troops in Laos had suppressed and killed about 43 Lao people of Mong tribal origin. In fact, this is only a fabricated story aimed at slandering and vilifying Laos and Vietnam in the hope of sowing discord among parties in Laos and between Laos and Vietnam

and of covering up crimes committed by Thai military authorities and Thailand's Internal Security Operations Command and their inhumane acts against the Lao people of the Mong ethnic minority who have been deceived into fleeing to Thailand.

More closely still, General Yang Dezhi, chief of the General Staff of the Chinese People's Army, is currently visiting Thailand. According to official reports from Bangkok on 11 January, China is to sell a large quantity of war weapons to Thailand, including tanks and artillery pieces. In addition, during his visit to Thailand, General Yang, accompanied by senior Thai officers, will visit a Thai border area adjacent to Cambodia.

Eased on the above facts, political observers in Thailand and foreign countries have unanimously agreed with the PRK Foreign Ministry's assessment that there is no doubt that Thai authorities are preparing a new war against the Cambodian people, serving Beijing's and Washington's policy of opposing Indochina, aimed at creating tension and obstructing the trend toward meetings and dialogue in Southeast Asia.

The Thai military authorities' acts run counter to the aspirations of the Thai people who want to live in peace and have fraternal, good neighborly relations with all countries in the region. The acts also run counter to the atmosphere and overall regional trend of turning Southeast Asia into a genuine zone of peace, friendship, and cooperation.

Being a companion-in-arms sharing the same trench with the fraternal Cambodian and Vietnamese peoples, the Lao people of all ethnic minorities fully support the correct stand and good intentions of the Cambodian party, state, and people, who always respect Thailand's independence and sovereignty on the basis of the five principles of peaceful coexistence with neighboring countries. At the same time, they reserve the right to punish all acts of aggression and violations of their sovereignty. We demand that the Thai military authorities halt all the undesirable acts for the common interests of the Cambodian and Thai peoples and for the cause of safeguarding peace and stability in Southeast Asia and the world.

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CSO: 4206/54

RICE CULTIVATION MEMORANDUM SIGNED WITH VIETNAM

BK141207 Vientiane Domestic Service in Lao 0000 GMT 14 Jan 87

[Text] A ceremony was held in Vientiane yesterday morning [13 January] to mark the signing of a memorandum on rice cultivation cooperation between Laos and Vietnam. Stipulated in the document is the concrete plan for cooperation in this field in 1987. According to the plan, the two sides will continue to cooperate in working out a project on the expansion of rice cultivation areas in the Vientiane plain region. Regarding this, the surveys, which began in 1984, have been completed on more than 400,000 hectares covering seven districts in the Vientiane plain.

Signing the document for the Lao side on this occasion was Kou Chansena, director of the planning department of the Ministry of Agriculture, Forestry, Irrigation, and Agricultural Cooperatives, while signing for the Vietnamese side was La Xuan Dinh, director of the International Cooperation Department of the Agriculture Ministry. Present at the signing ceremony on this occasion were Khamsing Sai-gnakon, deputy minister of agriculture, forestry, irrigation and agricultural cooperatives, and (Nguyen Thanh Duan), representative of the Vietnamese economic and cultural cooperation organization to Laos, along with a number of technicians concerned from both sides.

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CSO: 4206/54

IMPLEMENTATION OF SAVINGS DEPOSIT WORK DISCUSSED

BK191535 Vientiane Domestic Service in Lao 1030 GMT 18 Jan 87

[Feature: "Savings Deposits Help Party and State Develop the Country"]

[Excerpts] By depositing savings in the banks, one contributes to accumulating the capital for the party and state to use in building and developing the country. At present, the deposit of savings has been done under two forms, namely depositing savings and buying savings bonds. Throughout the recent past, the cadres and workers as well as fraternal people have deposited their savings in the state banks in an enthusiastic movement. As a result, the amount of savings deposits has been gradually increased.

Those who want to borrow money for use in building their family economy must, first of all, deposit at least 100 kip in the banks and gradually deposit more and more later on until they pay back all of the amount of money they borrow. The banks also allow depositors to transfer their savings deposits for use in building their family economy. Along with this, savings lottery tickets have also been issued for the people in general.

Through the awareness and clear understanding on the significance of savings deposit work, an increasing number of cadres and fraternal people have deposited their savings in various branches of state banks, as a result of which the amount of savings deposits has been increased daily. For example, in the Vientiane branch of the State Bank, the amount of savings deposits in 1986 increased by 119.11 percent as compared to that in 1985. In Champassak District and Province this work has been also consolidated and has extensively drawn attention from the masses. This can be seen through the fact that in the past year, the people in this province deposited a total of more than 1.4 million kip in the banks, including more than 800,000 kip deposited indefinitely. In Sanasomboun District alone, a total of more than 30 million kip have been deposited in this district branch of the State Bank.

At present, the cadres and state employees of this service have continued to compete in implementing their task in an active manner. As a result, savings deposit work has been broadened and developed, thus contributing to developing and strengthening the country.

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CSO: 4206/54

SOMLAT CHANTHAMAT CHAIRS OPENING OF PROPAGANDA CONFERENCE

BK161126 Vientiane Domestic Service in Lao 0500 GMT 16 Jan 87

[Text] The 1987 National Propaganda and Training Conference was opened in Vientiane yesterday afternoon [15 January] under the chairmanship of Somlat Chanthamat, secretary of the party Central Committee and head of the party Central Committee Propaganda and Training Board. Attending the conference were deputy heads of the party Central Committee Propaganda and Training Board and more than 90 representatives of the propaganda and training services throughout the country.

During the conference, these representatives will study the resolutions adopted at the Fourth Party Congress, study and assess the propaganda and training activities in 1986, and, at the same time, outline the guidelines and tasks of propaganda and training work for 1987 and the years to come.

At the ceremony, Somlat Chanthamat had the honor to address the participants, hailing the success of the propaganda and training work in 1986. He noted that even though this work was not developed rapidly, it was closely linked to the party's political tasks in each period, particularly throughout the year 1986 during which efforts were concentrated on carrying out propaganda to mobilize movements to score achievements to welcome the Fourth Party Congress, to mobilize national defense and public security work, to oppose the enemies' tricks and maneuvers, to encourage economic construction and cultural development, and to encourage the application of the new [economic management] mechanisms and other work. It shows that in the past year we have utilized numerous appropriate and rich measures, including the mass media--newspapers, broadcasting radio, television, video and cassette tapes, loud speaker systems, films, photos, and slogan billboards--rallies, displays, lectures, verbal communications, and other forms of mobilization.

On this occasion, Somlat Chanthamat also pointed out certain shortcomings of this work. He noted the important issues and basic objectives of the political and ideological work and the urgent tasks of the propaganda and training work which must be fulfilled in the immediate future so as to fulfill the goals outlined by the conference.

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CSO: 4206/54

SISAVAT KEOBOUNPHAN ADDRESSES SENIOR CADRES MEETING

BK191233 Vientiane Domestic Service in Lao 0430 GMT 17 Jan 87

[Text] Yesterday morning [16 January], the war veterans and social welfare committee of Vientiane municipality organized a meeting of senior cadres on the occasion of the 38th founding anniversary of the LPA. The meeting was attended by more than 80 elderly, senior cadres from throughout Vientiane municipality, who have contributed by working in the service of the nation until their retirement and are now serving as pensioned cadres.

At the meeting, the cadres first heard a report on the regulations and policy on the extra-wage allowances for pensioned cadres. Afterwards, Sisavat Keobounphan, member of the Political Bureau and of the Secretariat of the party Central Committee and secretary of the party committee of Vientiane municipality, honored the meeting by taking the floor and delivering a speech addressing the cadres. In his address, he pointed out the present world situation which has the tendency of achieving peace. He also noted the consistent stand of our party on the foreign policy of peace and friendship as adopted in the resolution of the Fourth Party Congress, the policy which conforms with the present situation and with the common interests of the people in [the] world and in the region.

Sisavat Keobounphan stressed that the improvement of neighborly relations with the Kingdom of Thailand and the PRC serves as a significant contribution to safeguarding peace in Southeast Asia. In conclusion, he called on the senior cadres to determinedly contribute as much as possible to the cause of defending and building the country in its advance to socialism.

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CSO: 4206/54

U.S. ARMS STOCKPILE IN THAILAND VIEWED

BK190551 Vientiane Domestic Service in Lao 0430 GMT 18 Jan 87

[Conversation between Uncle "Sang" and Uncle "Sat" on setting up of the U.S. arms stockpile in Thailand]

[Excerpt] [Sang] I would like to ask, comrade, about what I heard on the radio yesterday about our Foreign Affairs Ministry spokesman issuing a statement on the issue of setting up of the U.S. arms stockpile in Thailand. Do you have that statement with you, old man?

[Sat] Of course.

[Sang] Was it issued on 16 January?

[Sat] Yes, it was on 16 January--only the day before yesterday. On that day, the Foreign Affairs Ministry issued the statement on the setting up of the U.S. arms stockpile on Thai soil.

[Sang] What did the statement say?

[Sat] The complete text [as heard] of the statement goes like this: As is known by all, on 9 January 1987, Thai Defense Minister Air Chief Marshal Phaniang Kantarat and U.S. Ambassador to Bangkok William Brown signed an agreement on the setting up of the U.S. arms stockpile in Thailand under the pretext of ensuring Thailand urgently needed military weapons during an emergency situation.

[Sang] So, that is the reason for setting up this arms stockpile. Why, it is so obvious, comrade.

[Sat] When this Thai-U.S. agreement goes into effect, the Kingdom of Thailand will become the first country in Southeast Asia to have an overseas U.S. arms depot without the presence of U.S. military forces.

[Sang] Well, this means that Thailand is the first country. This shows that ordinarily the United States would maintain an arms depot in a country where U.S. troops are stationed, right? In the case of Thailand, no U.S. troops are stationed here, but an arms stockpile will be set up first.

[Sat] Generally speaking, in the whole of Southeast Asia, Thailand is the first country the United States--with Thai cooperation--will set up an arms depot without the presence of U.S. Armed Forces. This agreement, the statement says, was signed at a time when all Thai people are preparing to celebrate the 60th birthday of his majesty the king of Thailand. This is another U.S. attempt to regain its military presence in the Kingdom of Thailand since the United States was defeated in the Indochina War in 1975.

[Sang] That is right, comrade. That is true.

[Sat] The U.S. action in Thailand this time shows new joint war preparations between Thailand and the United States, thus creating tension in Southeast Asia and posing a direct threat to the security of the countries in this region, especially the three Indochinese countries, because both the United States and Thailand regard the three countries as their enemies.

[Sang] Oh, is that the case?

[Sat] The LPDR Foreign Affairs Ministry, says the spokesman, strongly opposes the Thai-U.S. agreement on the establishment of a U.S. arms stockpile on Thai soil because it will create a most favorable condition for creating a military confrontation between the two groups of countries in Southeast Asia. To better ensure the security of the Kingdom of Thailand, the Thai Government should sign a treaty of peace and nonaggression with the Indochinese countries as the latter have suggested on several occasions. Because the LPDR is a neighboring country bordering the Kingdom of Thailand, the signing of the agreement on the establishment of the arms stockpile is regarded as the violation of the spirit and contents of the 1979 Lao-Thai joint communiques, in which the two sides pledged to refrain from threatening or using force against each other and from allowing other countries to use their territories as a base for interfering, threatening, or committing aggression against other countries in any form whatsoever. The Lao Government and people once again reiterate their just and correct policy in preparing and cooperating with the Thai people and other peoples in Southeast Asia to oppose all dangerous acts and threats against peace, stability, and security in this region and in the world and firmly believe that the Thai people will not allow their country to be the scene of rekindling war in this region. That is the statement, comrade.

[Sang] It is clear to me now, comrade. And I also believe that the Thai people will not allow their country to be the scene of rekindling war in this region as has been pointed out by our Foreign Affairs Ministry spokesman.

[Sat] That is true, comrade.

[Sang] The Thai people will not allow the powers-that-be to use Thai soil as the site for igniting a war because they also cherish peace. Several antiwar and peace movements exist in Thailand. I believe that the signing of the agreement you have just mentioned will certainly arouse a strong reaction from the peace-loving and antiwar Thai people.

[Sat] Of course, that will be the case.

[Sang] Comrade. can you follow up this development and tell me next week whether the fraternal Thai people have any reaction to the act of the ruling circles in Thailand in colluding with the U.S. imperialists to set up the arms stockpile in Thailand? I believe that the reaction from Thai public must be very strong, for the Thai people will not allow their ruling circles to do anything at whim because they also regard themselves as masters of their own country and destiny. They will not allow this to happen.

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CSO: 4206/54

PASASON HAILS 38TH LPA FOUNDING ANNIVERSARY

BK201410 Vientiane Domestic Service in Lao 0430 GMT 20 Jan 87

[Editorial: "Uphold the Glorious Tradition of the LPA by Resolutely Striving To Victoriously Materialize the Resolutions Adopted at the Fourth Party Congress"]

[Text] We are marking the 38th anniversary of the 20 January founding of the LPA at a time right after the Fourth Congress of our party has just brilliantly ended. Evaluating the tasks of national defense in the past years, the Fourth Party Congress reiterated that in fulfilling the tasks of national defense and the maintenance of public and political security, our Army and people have scored great and firm victories in many fields. Our army has made new development along the path of gradually building itself into a model modern revolutionary army. Our combat strength has been further enhanced on many levels. Our army has brilliantly fulfilled its tasks and has scored numerous glorious successes.

Recalling the history of victorious building and fighting by the LPA throughout the past 38 years, we are very proud to see that beginning as an unorganized armed propaganda unit to act as the origin of the revolutionary movement of the masses, under the leadership of the party, our people's armed forces, together with the entire masses, rose up to protractedly and arduously carry out the revolutionary movement for national liberation against the French colonialists and the U.S. imperialists for 3 decades and completely fulfilled the task of national liberation.

In the struggle to safeguard the fruits of the revolution and the socialist construction in the past 11 years, our army has continued to smash all multifaceted subversive designs of the new enemies, thus securely defending the sovereignty and security of our country.

In the past 38 years, our army has earned itself the title of being a revolutionary army which has received the trust of the LPRP and the Lao workers and laboring people of all tribes. Our entire army has always adhered to the motto of being faithful to the country, wholeheartedly serving the people, enhancing the true revolutionary tradition, fulfilling all duties, and acting as the strong pillar for the all-round mass national defense system and for our militant alliance.

Entering the new period of the revolution in face of a complicated and confusing situation and difficult tasks entrusted by the party, state, and people, our army has never ceased to develop and enhance the revolutionary nature and heroic combat tradition, to remain faithful to the party and people, to uphold a sense of fighting perseverance and the spirit of serving the people unconditionally, to strictly abide by the regulations and discipline, and to follow a healthy and happy life-style.

Joyously overwhelmed by the achievements and victories it has scored, our army has come to more profoundly realize that every victory it has scored in the period of the national liberation struggle in the past and in the current period of national defense and socialist construction is closely related to the party leadership and the sponsoring, coordination, and support of the people of all tribes and to the friendship and special militant solidarity between Laos and Vietnam and among Laos, Vietnam, and Cambodia as well as the effective assistance and support from the Soviet Union and the other fraternal socialist countries.

With a strong sense of change, fully realizing the reality, and correctly evaluating the true situation, our army has determinedly upheld the sense of self-criticism and criticism, strived to rectify and train itself in accordance with the content and objective of the setting up of an all-round strong unit, upheld the sense of taking the initiative and political responsibility among the cadres at the guidance and commanding levels, and resolutely changed the old line of thinking, outmoded life-style, and old-style command mechanism, aimed at further elevating the level of combat strength and preparedness so as to defend our beloved country and to maintain the political stability of our country, thus contributing to building socialism in our country and fulfilling all the tasks entrusted by the party and people.

First of all, each unit must be strong politically, maintain a strong sense of combative perseverance, maintain strict discipline, and maintain internal unity and the close unity between the army and people. Each unit must maintain a high level of military professionalism, be skillful in applying new technology, and be clever in employing strategies. Each unit must strive to improve the material and moral life of all soldiers.

The resolution of the Fourth Party Congress clearly pointed out that our army must be built on the firm socioeconomic foundation. This is to closely coordinate the economy and national defense and vice versa. This is one the rear of the army, whose potentials has been exploited to support the frontline so as to promptly meet the requirements of the national defense and public security maintenance work. When mapping out economic, cultural, and social tasks, all other services and localities must not pay less attention to building the national defense forces and implementing the party's policy towards the army. They must regard it as important to mobilize youths to serve national defense duties in accordance with their responsibility.

As for our people's armed forces, they must not cease to contribute to building the economy, culture, and society and to strive to engage in production to improve the living conditions of all units.

Being the sharp tool of the party, which has always received the trust of the party and state, and being the main strength of the people's war and mass national defense, our army must further hold aloft the fine tradition and enhance the vanguard role in carrying out all duties, especially by concentrating all efforts to materialize the resolutions adopted at the Fourth Party Congress. We must resolutely unite with the people to build a new revolutionary movement aimed at victoriously fulfilling the Second 5-Year State Plan.

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CSO. 4206/54

EDITORIAL ON PARTY'S SOCIOECONOMIC EFFICIENCY ATTITUDE

BK260505 Vientiane Domestic Service in Lao 1200 GMT 24 Jan 87

[PASASON 24 January Editorial: "Appreciate the Party's Attitude and Raise Its Socioeconomic Efficiency"]

[Text] Raising socioeconomic efficiency is a basic aspect of the new economic concept. It touches on the eventual and all-round objective of all economic guidance and management work. Only by constantly paying attention to raising socioeconomic efficiency can we fulfill the tasks of the initial phase, aimed at pacifying and normalizing the socioeconomic situation in all respects; internally develop the national economy; and, possess the various essential primary factors for the conversion to large-scale socialist industrialization.

A simple measurement for judging where work is done in accordance with the objective law is socioeconomic efficiency. Once socioeconomic efficiency has increased, it means that we have worked in accordance with the requirements of basic socialist economic law. As all economic laws affect men through their economic interests, raising socioeconomic efficiency itself improves the interests of the working people--interests that are linked with collective interests and those of society as a whole. This means that the origins of the three interests must be interlinked, starting from private interests and regarding the interests of the whole society as the guiding principle. The unity and skillful combination of the various economic interests will enable various economic laws to develop in one direction, thus creating an economic reserve force for mobilizing the working people to develop production and practice thrift, and serving as an economic basis for ensuring the unity in ways of thinking and action in the management system.

A correct standard for assessing socioeconomic efficiency must be reflected by the expansion and constant renovation of production, the continuous improvement of the people's material and moral life, and the continuous consolidation and development of the position of socialism in all respects. This is the highest standard for evaluating all policies and norms to the effect that they are progressive, backward, correct, or erroneous.

An issue of special importance that should be firmly grasped is: Socioeconomic efficiency also includes the linking of economic interests with political,

social, national defense, and public security interests. Economic interests are truly important. But one cannot interpret interests as those involving the economy only.

The perception of the attitude on socioeconomic efficiency in carrying out economic management is also reflected in developing plans and policies. Various measures must ensure the highest socioeconomic efficiency by means of the lowest spending. Enterprises that disregard efficiency and attach importance to only the size and form are developing a wrong way of thinking that is linked with the old mechanism. At the same time, while drafting plans as well as while implementing them, one must ensure the combination and unity of private interests, collective interests, and those of the whole society so as to create economic incentives mobilizing the masses to effectively carry out the plans. This is due to the fact that whenever plans, policies, and measures for economic activities correctly correspond with the genuine interests of the masses, they will receive the masses' support and contribute to building extensive mass movements in economic activities.

Through the recent experiments on shifting toward the business accounting mechanism, some key economic units at the grass roots have tackled the system of granting wages in accordance with piecework production and contracts signed with individuals or work units. This means that the root cause of problems has been tackled and that private interests have been regarded as the starting point for boosting economic efficiency in society. This success leads to realizing the mass characteristics of the business accounting mechanism and to the creation of a force stimulating the development of production and conditions for achieving changes in other spheres. This a lesson to which we should pay attention, because a correct starting will lead us to advance correctly in accordance with the rule.

For this reason, in analyzing the above lesson, we should rely on the party's attitude and skillfully apply it to the true situation in each locality. At the same time, we should further enrich this attitude through creativity and initiative.

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CSO: 4206/54

LAOS SUPPORTS DRA'S NATIONAL RECONCILIATION BID

BK250425 Vientiane Domestic Service in Lao 1200 GMT 24 Jan 87

[Text] The LPDR Foreign Affairs Ministry issued a statement on 24 January in support of the declaration of the cease-fire and national reconciliation by the DRA. The full text of the statement reads:

Recently, the DRA Government declared a nationwide cease-fire beginning on 15 January 1987. The cease-fire declaration was aimed at creating national reconciliation and favorable conditions for the opposition groups and the government side to hold negotiations in order to end the bloodshed among the people of the same blood so that they will together build national unity and create complete conditions for the withdrawal of the Soviet forces from Afghanistan. The policy of national reconciliation will only benefit the Afghan people and will bring about positive results to the settlement of regional and international problems. Therefore, it has received support from the Afghan people, officers and men of the oppositions groups, a number of Afghan politicians and businessmen of the old regime residing abroad, and all peace-loving forces throughout the world. Therefore, it calls for the neighboring countries to contribute to the promotion of peace in Afghanistan and to seek measures to completely halt and end the cooperation among and interference by the imperialists and external reactionary forces. This is the important key for solving the Afghan problem and other regional problems.

The LPDR Government wholeheartedly hail and fully supports the just principles and sincere stance of the DRA Government and completely supports the cease-fire declaration aimed at creating national reconciliation in accordance with the strong aspirations of the Afghan people and all peace-loving people throughout the world. The LPDR will do everything within its power to contribute to the cause of creating peace and national reconciliation in Afghanistan.

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CSO: 4206/54

PASASON ON LPA FOUNDING ANNIVERSARY

BK201040 Vientiane KPL in English 0932 GMT 20 Jan 87

[Text] Vientiane, January 20 (CTK)--The daily PASASON, organ of the LPRP CC, today frontpages an editorial hailing the 38th anniversary of the Lao People's Army (January 20, 1947).

Founded as a mobile armed propaganda unit under the guidance of the party, the paper writes, the Lao Armed Forces, together with the masses, protractedly rose up against the French colonialists and U.S. imperialists for three decades which culminated in the national liberation. It further recalls that in the past 11 years of national defence and socialist construction, the LPA has scored victories in the struggle against all undermining acts of the new enemies, and thus firmly ensuring the safeguard of the national sovereignty and security.

The daily paper continues: The LPA, through the past 38 years, has earned for itself the trust of the LPRP and the pluriethnic Lao working and labouring people. It serves the people, develops its revolutionary tradition and fulfills all tasks assigned to it thus become a firm bastion in the national defence.

During the past national liberation struggle as well as at the present period of national defence and socialist building, the masses, on the one hand, and become instrumental in the consolidation of the special militant solidarity among Laos, Vietnam and Kampuchea, as well as the effective relations with the Soviet Union and other socialist countries, on the other.

The paper concludes that the LPA, having become a sharp instrument of the party, a driving force in the people's war and in the defence of the nation, has further nurtured its traditional heroism and consolidated its offensive role in all social sectors. At present, the LPA is also giving great contributions to the successful execution of the 4th party congress' resolutions and the Second State Five-Year Plan on socio-economic development.

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CSO: 4200/284

FOREIGN MINISTRY ATTACHES EXPRESS BEST WISHES TO LPA

BK211008 Vientiane KPL in English 0903 GMT 21 Jan 87

[Spellings of military attaches' names as received]

[Text] Vientiane, January 21 (KPL)—Officials of the Ministry of National Defence headed by Lt Gen Osakan Thammatheva, member of the LPRP CC, deputy-minister of national defence, and head of the General Political Department of the Lao People's Army, on Jan 20, received here best wishes from the military attaches of the fraternal socialist countries. The wishes were conveyed on the occasion of the 38th founding anniversary of the Lao People's Army (20.1.1949-20.1.87).

The military attaches present at the function included: [Nguyen] Dinh Chan of the Socialist Republic of Vietnam, San Than of the People's Republic of Kampuchea, Lt Col Valeci Tymchouk of the Soviet Union, Col Istvan Meiszterics of the People's Republic of Hungary, Col Christo Christov of the People's Republic of Bulgaria, Lt Col Hans-Joachim Gruve of the GDR.

On this occasion, Nguyen Dinh Chan, as the most senior military attache of the socialist countries to Laos, hailed the great victory scored by the Lao People's Army during the struggle against the past imperialists' aggression and its present contribution to the national defence and socialist construction. He also highlighted the role and prestige of the revolutionary army of the Lao PDR which, being an effective instrument of the party, always earns the trust from the party and state. The LPA was qualified as the driving force of the people's war and in the national defence. The Lao People's Army, he said, has constantly raised its positive characteristics and its splendid tradition.

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CSO: 4200/284

KPL REPORTS SUCCESS OF PRODUCTION AUTONOMY

BK231158 Vientiane KPL in English 0909 GMT 23 Jan 87

[Text] Vientiane, January 23 (KPL)--The application of autonomy in production in the northern Luang Prabang Province shows successful in various socio-economy sectors.

The province (400 km north of Vientiane capital) has introduced, since mid-November 1986, the autonomy in production in line with the party and states conception of new economic management mechanism. The experimental execution of this new economic conception was firstly introduced at the provincial electricity company, the transport and automobile repairing company and the house-building company. Within the period, the electricity company's output increased by 13 percent compared to a correspondent period in 1985. Also in the same period, the transport company and house-building company respectively augmented their incomes to 9,000,000 kip and 50,000,000 kip, a 30 percent and 2 percent increase, compared to their previous achieved figures.

Thanks to these initial positive results from the application of this economic mechanism, now the province has introduced the system in all economic units.

The new economic management mechanism, which was [word indistinct] last year by the Council of Ministers, called for the restructuring of labour productivity aiming at reducing indirect work-force and for the improvement of goods quality. It called for the intensification of labour capacity and creativeness of workers and doing away with the state subsidized-economy.

According to official source, the execution of this new method of socialist production and business is also gaining satisfactory results in Vientiane, Champassak and other provinces. A central guiding commission for the application of this economic system has been established for mapping out plans on the consolidation of the production system throughout the country.

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CSO: 4200/284

FEATURES DESCRIBE ANTI-REGIME 'BANDIT' ATTACKS ON ROUTE 13, XIENG KHOUANG

[Editorial Report] The 8-14 and 22-28 October 1986 issues of NOUM LAO, the youth union newspaper carry stories under the rubric "The Pen of Youth" which describe armed attacks by "reactionaries" against LPDK truck convoys. The 2500 word item in the 8-14 October issue on pages 4 and 6 describes the setting. The central echelon's (i.e. Vientiane government authorities) cross-border transport unit is to transport a cargo of foodstuffs and forest products to an unstated destination but one which involved transiting the southern portion of Route 13. The route is described as "at a critical state" with opportunists, exiled bandit-reactionaries ambushing our convoys without letup, with great losses of life and property. Regular army and guerrilla-militia forces are constantly conducting sweeps and suppression operations."

Enemy operations are described as "having a severe impact on the circulation of goods between [Vientiane] and the localities" as well as the movement of population. The story notes that convoy drivers are afraid to pick up passengers carrying weapons, even LPA soldiers, because of the fear that they might invite "bandit" attack. The story describes the considerable resentment expressed toward the protagonist (an LPA soldier out of uniform carrying a weapon) by the passengers on a small bus. Things were so bad that he had to threaten to shoot the driver in order to board. This resentment evaporated when the bus was later stopped and robbed by a band of "reactionaries" and the protagonist shot them all. The grateful passengers took up a collection amounting to over 20,000 kip for the soldier.

The 22-28 October 1986 edition on pages 4 and 6 carries a similar story of about 2,000 words. The setting this time is described as Route 13 heading for Route 7 and Phone Savan, Xieng Khouang and the date is given as 10 January 1980. A convoy was ambushed by "bandits" identified as the "remnants of the imperialists." One driver and passenger were killed and another passenger was severely wounded (with a very slow recovery implied). There was no retaliation from the convey personnel. Regular LPA forces stationed in the Sala Phou Khoun are described as having driven away the attackers after some time. The LPA unit was described as having a medevac capability and took the wounded by truck to Vang Vieng District, north of the capital of Vientiane. The dead were taken to Vientiane.

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CSO: 4206/55

BRIEFS

INDIAN NATIONAL DAY--Vientiane, January 27 (KPL)--Shiv Kumar, Indian ambassador to the Lao PDR, organized here yesterday a function marking the 37th national day of the Republic of India. Present among others were Sali Vongkhamsao, vice-chairman of the Council of Ministers and chairman of the State Planning Committee, Khamphai Boupha, acting minister for foreign affairs, Khambou Sounisai, mayor of Vientiane capital, and other senior officials. Diplomatic envoys and representatives of international agencies in the Lao PDR were also on hand. [Text] [Vientiane KPL in English 0911 GMT 27 Jan 87] /8309

SOVIET FILM DELEGATION--Vientiane, January 24 (KPL)--The USSR will continue helping the Lao PDR in the training of its cinematographic technicians and supplying it with cinematographic equipment. The Soviet help was reaffirmed at the talks here yesterday between Lao Deputy-Minister of Culture Somsri Desakhamphou, and Y.K. Voytovich, vice-chairman of the State Committee for Cinematography of the USSR. The sides reviewed the execution of their bilateral cooperation agreement signed in 1976, and worked out requirements needed for the cinematographic development in the Lao PDR. Y.K. Voytovich, at the head of a Soviet cinematographic delegation, arrived here on January 22 for a one-week visit. [Text] [Vientiane KPL in English 0908 GMT 24 Jan 87] /8309

MEETING WITH HUNGARIAN JUSTICE OFFICIALS--Vientiane, January 20 (KPL)--Officials of the Justice Ministries of the Lao PDR and the Hungarian People's Republic met here in the evening of January 17 to exchange views on law and judiciary work. At the talks, the Lao delegation of Justice Ministry was led by its minister Kou Souvannamethi, and the Hungarian side was led by Dr. Gyula Borics, first-deputy-minister of the Hungarian Justice Ministry. The exchange of views was aimed at developing cooperation between the two countries in the judiciary field. The Hungarian delegation arrived here in the afternoon of January 17. The visit is expected to last four days. [Text] [Vientiane KPL in English 0926 GMT 20 Jan 87 BK]/ 8309

JAPANESE ASSISTANCE TO IRRIGATION PROJECTS--Vientiane, January 21 (KPL)--Document approving a project on the renovation of irrigation network in Vientiane Prefecture with the assistance of the Japanese Government was signed here Monday. [sentence as received] The document relates to the designing of the renovation of the irrigation network in the 800-ha Tha Ngon Plain, in Vientiane Prefecture. This work, started since early 1986, involved the collection of data for the construction on irrigation system for rural development, the establishment of clean water system and the construction of a 20-ton-per-day rice mill. The project is expected to initiate in late 1987. Signatories of the approved document were Alom Thavon, deputy-chief of the Planning Department of the Ministry of Agriculture, Forestry, Irrigation and Cooperatives, and Hiroshi Manobe, an official of the International Cooperation Office of the Japanese Foreign Ministry. Also present at the signing ceremony were Sitaheng Latsaphon, deputy minister of agriculture, and Toshitaka Tada, Japanese ambassador to the Lao PDR. [Text] [Vientiane KPL in English 0918 GMT 21 Jan 87 BK] /8309

LPA DAY WREATH-LAYING CEREMONY--Vientiane, January 21 (KPL)--A wreath-laying ceremony to unknown soldiers was held on January 20 at the site of the Army Museum in Vientiane on the occasion of the 38th founding anniversary of the Lao People's Army. An acknowledgement of the servicemen's devotion and sacrifices to the Lao revolution during the struggle against colonialists, imperialists and other acts of interference and aggression was made. The Lao People's Army was also praised for its contribution to the national defence and socialist construction. Present at the ceremony were Lieutenant General Osakan Thammatheva, member of the party CC, deputy-minister of national defence, and head of the General Political Department of the LPA, and other high ranking officials from the National Defence and Interior Ministries. [Text] [Vientiane KPL in English 0908 GMT 21 Jan 87] /8309

EDUCATION DELEGATION TO KAMPUCHEA--Vientiane, January 15 (KPL)--A delegation of the Ministry of Education led by its Deputy-Minister Phiang Sisoulat left here on Jan. 13 for the People's Republic of Kampuchea. During its 10-day visit there, the Lao education delegation will exchange with the Kampuchean side experiences on education work. An agreement on education cooperation between the Ministries of Education of the two countries for 1987 is to be signed on this occasion. This will serve as an important factor in education between the two fraternal countries. [Text] [Vientiane KPL in English 0906 GMT 15 Jan 87 BK] /8309

PUBLIC HEALTH DELEGATION TO THE GDR--Vientiane, January 15 (KPL)--A delegation of the Public Health [Ministry] led by its acting-minister, Dr. Khamliang Phonsena, left here on Jan. 13 for an official friendly visit to the GDR. During its stay there, the Lao delegation will exchange views with the GDR side on public health activities in the past. The sides are expected to sign an agreement on public health cooperation for 1987 between the Lao PDR and the GDR. The delegation was seen off at the airport by Norbert Knuth, first secretary of the GDR Embassy here, and other officials. [Text] [Vientiane KPL in English 0908 GMT 15 Jan 87 BK] /8309

LAOS, BULGARIA ECONOMIC, COOPERATION ACCORDS--Hanoi VNA Jan 19--Laos and Bulgaria have reached three protocols on trade and on economic, scientific and technical cooperation. The one on goods exchange stipulates that Bulgaria will supply Laos with medicine and textile products in exchange for wood and consumer goods. The protocol on economic, scientific and technical cooperation in 1986-90 provides that Bulgaria will help Laos in the technical field and personnel training. The last is on the two countries' coordination in economy planning up to 1990. These documents were signed during a session of the Lao-Bulgarian intergovernmental commission for scientific and technical cooperation which was closed in Sofia on Jan 16. [Text] [Hanoi VNA in English 0718 GMT 19 Jan 87] /8309

NEW FINNISH AMBASSADOR--Khamphai Boupha, first deputy minister of foreign affairs, received a call from Euro Saarikoski, new ambassador extraordinary and plenipotentiary of Finland to the LPDR, yesterday morning [13 January] after the latter presented his credentials to the acting president of our country last week. On this occasion, Khamphai Boupha conversed with Ambassador Euro Saarikoski in a friendly atmosphere. He wished the ambassador success in performing his diplomatic tasks to contribute to improving and strengthening daily the friendly relations between the two governments and two peoples of Laos and Finland. [Text] [Vientiane Domestic Service in Lao 0000 GMT 14 Jan 87] /8309

EDUCATIONAL CONFERENCE--Vientiane January 12 (KPL)--The Education Ministry held a conference here on January 9 to review its activities last year. Present at the conference were Phoumi Vongvichit, Politburo member of the LPRP CC, acting-president of the republic, vice-chairman of the Council of Ministers, and other high-ranking officials. On this occasion, Acting-Minister of Education Bountiam Phitsamai read out a report on the achievements of educational cadres in 1986. The participants discussed an action plan to improve the educational service in the coming years. In his speech, P. Vongvichit urged all educational workers to raise their political consciousness and responsibility in order to contribute more effectively to the educational service. [Text] [Vientiane KPL in English 0908 GMT 12 Jan 87] /8309

LAO-SRV TOURISM PACT--Vientiane, January 8 (KPL)--The Lao PDR and the SR of Vietnam are to broaden their cooperation in tourism in 1987-89 in accordance with an agreement signed here yesterday. Signatories were Thongsing Thammavong, member of the LPRP CC, minister of culture, and Tran Quong, secretary of the CPV CC in charge of tourism, on a current visit here. According to the document, the two sides will cooperate in the training of tourist personnel and exchange tourists. [Text] [Vientiane KPL in English 0910 GMT 8 Jan 87] /8309

SRV TOURISM DELEGATION DEPARTS--Vientiane, January 9 (KPL)--A delegation of the Tourist Department of Vietnam led by Tran Quong, secretary of the CPV CC, in charge of tourism, left here for home yesterday, concluding a six-day visit to Laos. Bidding farewell to the delegation at Wattai Airport were Thongsing Thammavong, member of the LPRP CC, minister of culture, and other senior officials. Vietnamese Ambassador Nguyen Xuan was also on hand. [Text] [Vientiane KPL in English 0905 GMT 9 Jan 87] /8309

FINNISH ENVOY PRESENTS CREDENTIALS--Vientiane, January 9 (KPL)--The newly accredited ambassador of the Republic of Finland to the Lao PDR, Euro Saarikoski, whose residence is in Hanoi, presented here yesterday his credentials to Acting-President of the Republic Phoumi Vongvichit. In a cordial talk after the presentation, Acting-President Phoumi Vongvichit wishes the new Finnish ambassador success in his diplomatic mission here for further strengthening of the friendly relations between the governments and peoples of the two countries. Present on this occasion was Souban Salitthilat, deputy-minister for foreign affairs of the Lao PDR. [Text] [Vientiane KPL in English 0901 GMT 9 Jan 87] /8309

AID FROM HUNGARY--Vientiane, January 9 (KPL)--The Hungarian Solidarity Committee has handed over here 60,000 dollars worth of aid to the Lao Committee for Peace, Solidarity, and Friendship with Nations. The aid includes sportswear, balls, sewing machines, medical equipment, and medicine. The hand-over ceremony was conducted by Singkapo Sikhotchounnamali, president of the Lao peace committee, and Hungarian Ambassador Laszlo Rosta. S. Sikhotchounnamali expressed thanks to the solidarity committee and people of Hungary for their constant support to the Lao revolution. Last year, another consignment of gifts was also presented to the Lao side by the Hungarian solidarity committee. [Text] [Vientiane KPL in English 0907 GMT 9 Jan 87 BK] /8309

ROUTE NO 6 UPGRADED--Vientiane, January 11 (KPL)--The 100 km-long Route No 6, stretching from Xieng Khouang to Houa Phan Provinces and ending up at the Lao-Vietnamese border, is being upgraded. A local source reported that the upgrading starts at Km-26 at Don Hamlet up to Km-76 at Kangkhao Hamlet, Sam Neua District, Houa Phan Province. It is being carried out by more than 3,000 [words indistinct], who have used 16,900 cubic meters of laterite in upgrading the route surface and dug a 13 km-long drainage canal. They have, so far, constructed 12 new wooden bridges and repaired a number of the old ones. After three days work the local participants have already finished upgrading 46 km of the portion of the route scheduled for repair. The whole renovation work is expected to be completed very soon. [Text] [Vientiane KPL in English 0903 GMT 11 Jan 87 BK] /8309

'ARAFAT GREETED--Vientiane, January 9 (KPL)--P. Vongvichit, acting-president of the Lao PDR, has conveyed warm greetings to Y. 'Arafat, chairman of the PLO, [and] commander-in-chief of Palestinian Armed Forces, on the occasion of the 22nd anniversary of the Palestinian Revolution. On behalf of the Lao people and government, the Lao acting-president extended to Y. 'Arafat, and through him, to the fraternal Arab Palestinian people, his best wishes of happiness, prosperity and success in their struggle against imperialism and Zionism for establishing an independent state. On the same occasion, P. Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs, has also extended a message of greetings to Faruq Qaddumi, chief of the Political Department of the PLO. [Text] [Vientiane KPL in English 0858 GMT 9 Jan 87] /8309

CSO: 4200/284

FOREIGN MINISTRY HIRES WASHINGTON LOBBYISTS

BK100125 Bangkok BANGKOK POST in English 10 Jan 87 p 3

[Text] A Foreign Ministry panel on trade problems with the United States yesterday approved the hiring of American Lobbyists to protect Thai interests in the U.S. Congress, ministry spokesman Sarot Chawanawirat said.

The meeting, chaired by Foreign Minister Sitthi Sawetsila, agreed to retain Akim, Gump, Strauss, Haker and Feld, a Washington-based lobbyist firm, to monitor legislation that may affect Thailand.

Former U.S. Congressman Lester Wolff will also be employed to arrange meetings between U.S. lawmakers and Thai officials and businessmen.

The meeting also agreed in principle to hire more lobbyists to pursue any matter of interest to Thailand. But the employment must be approved by the Cabinet.

Mr Sarot said the Finance Ministry will invite U.S. Secretary of Treasury James Baker to Thailand as part of the government's effort to inform the U.S. administration of Thailand's problems.

On the recent Sino-Vietnamese fighting, Mr Sarot said the government could not say much about it because it was not a party to the conflict.

He said each side had accused the other of provocations. "In a war that (propaganda) is waged on a large scale for advantage," he said.

"From past experience and contacts with the Chinese, we believe their accounts of the war are more credible," he said.

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CSO: 4200/284

BANGKOK POST REPORTS AGREEMENT TO BUY OIL FROM PRC

BK261521 Bangkok BANGKOK POST in English 22 Jan 87 p 28

[Text] The Petroleum Authority of Thailand (PTT) has concluded an agreement to buy 300,000 [metric] tons of high-speed diesel oil from China at "very favourable terms."

The accord was initialled at the weekend in Bangkok by PTT Governor Dr Thongchat Hongladarom and the state-run Sino-Chem; the full agreement is planned to be finalised in Beijing in Spring.

The diesel oil price is based on the average posted prices announced by six Singaporean oil refineries and subjected to a revision every three months "if the situation warrants." Dr Thongchat described the terms as very favourable to PTT.

The volume is the same as the PTT bought from Sino-Chem last year but with a different pricing structure. The oil bought last year was based on the average spot prices or Singapore posted prices, whichever were lower.

He said the Chinese diesel oil prices this year will be higher than 1986 because of the firmer oil prices in the world market.

The volume of diesel oil is under a protocol reached earlier between Bangkok and Beijing on the annual countertrade-like scheme.

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CSO: 4200/284

VOFA COMMENTARY ON EFFECT OF SRV REFUGEES ON SECURITY

BK111025 Bangkok Voice of Free Asia in English 1500 GMT 8 Jan 87

[Station commentary: "The Effect of Vietnamese Refugees on Thailand's Security"]

[Text] In a speech of Deputy Foreign Minister Hoang Bich Son delivered at the Communist Party of Vietnam's Sixth Congress, he disclosed that the history of the patriotic movement of the overseas Vietnamese dates back to nearly 70 years and the movement has now widely developed in 60 [figure as heard] foreign countries where it turned the majority of the Vietnamese residents into a notable force struggling for Vietnam's interests. A number of intellectuals of the first generation refugees returned to Vietnam to directly take part in the resistance at the front or in the rear. Many of them become heroes or high-ranking officials of the Vietnamese Government. In the anti-U.S. resistance, Vietnamese residents in several capitalist countries, including in the United States, organized successful campaigns which, according to the Vietnamese deputy foreign minister, set bright examples of patriotism.

That is, for the first time, the honest revelation of a secret policy of Vietnamese leaders. It is an apposite answer to why Vietnamese authorities let go considerable amounts of Vietnamese from their homeland to take a refuge in other countries. Only a decade after the 1975 unification of Vietnam, it is agreeable that more than 2 million Vietnamese had fled the country by the South China Sea or even traveling on foot to China, Hong Kong, Malaysia, Singapore, Indonesia, and Thailand. [sentence as heard]

There are also innumerable sad stories of what happened to them during the adventurous exodus such as ship wrecking, murders, piracy, raping, or even starving. Among millions of those pitiful refugees in foreign countries, of course there exists a great number of Vietnamese who had a willful mission or the so-called patriotic goal in mind and are prepared to sabotage their new land they are destined to settle on.

As from the first Indochina war in 1950s, Thailand had accepted more than 10,000 Vietnamese refugees, while at the end of the latest Vietnam war in 1975, it had accommodated no less than 100,000 Vietnamese refugees. Currently, Thailand has to accept Vietnamese boat people who are landing on the east coast of southern Thailand at the average of 50 refugees a month. So far, Thailand in cooperation with certain UN agencies and the International Red Cross, had helped resettle more than 100,000 Vietnamese in the third countries in Europe and America.

In principle, Thai authorities have accepted those refugees on the basis of humanitarian concern in consistency with the UN Charter of which Thailand is a party. Nevertheless, there is a certain reservation that those refugees' intentions as well as behavior must not be harmful to the security of Thailand. Thus the Vietnamese refugees in any circumstances must not exploit Thai Government's generosity for political or military aim of the Vietnamese leaders in Hanoi. On grounds of reciprocity and international laws, all refugees are subject to the laws and regulations of the receiving countries. They are not to generate or stir any violent movement, neither to abuse their refuge accommodation against the receiving countries or to the interests of another country.

Thailand's purpose to shoulder the refugee burden is solely for giving a helping hand to the poor and innocent people terribly affected by the chronic wars in Indochina. It is certainly not to accommodate an expansionist policy of foreign countries. Therefore, the Vietnamese abuse of Thailand's compassion must be put to an end. The continuation of the abuse should mean a more careful and thorough method and measure of refugee selection in order to protect Thailand's military as well as political security.

The reference of the deputy foreign minister of Vietnam to the patriotic refugees' movement in 16 [figure as heard] foreign countries in a way reminds Thai authorities of occasional demonstrations by Vietnamese refugees residing in the northeastern part of Thailand. It is also apparently revealed for the first time that various organized demonstrations and illegal movements among Vietnamese refugees in Thailand seem to have foreign input. It is thus (?seriously) against the law and order of Thailand. This is probably one of the major reasons why the Vietnamese government continues to refuse to accept those Vietnamese refugees who have come into Thailand since 1950 and remained one of the biggest problems to Thailand's security. With regard to the generously humanitarian practice of Thailand, it is an urgent need that foreign countries' leaders should review their policies and contain their ambitions in interference in Thailand's sovereignty and territorial integrity.

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CSO: 4200/284

SUPREME COMMAND REPORTS ON CAMBODIAN BORDER 1-8 JANUARY

BK121429 Bangkok Voice of Free Asia in Thai 1030 GMT 12 Jan 87

[Text] The Supreme Command Information Office has reported on the situation along the Thai-Cambodian border from 1 to 8 January. During the period, the Vietnamese side carried out more suppression of the CGDK forces inside Cambodia, especially at Thmar Puok District of Battambang Province, Banteay Ampil District of Siem Reap-Oddar Meanchey Province, and the middle area of the Tonle Sap region. It used aircraft and helicopters to carry out attacks on ground targets. Vietnam also recruited about 6,000 Cambodians from Kompong Cham, Svay Rieng, and Prey Veng Provinces to work at areas along the border opposite Ta Phraya District of Prachin Buri Province, Van Kruat District of Buriram Province, and Kap Choeng District of Surin Province, to carry out work under the K-5 plan; they also used those Cambodian laborers to repair and improve some damaged roads.

As for fighting inside Cambodia, the guerrilla units of the CGDK clashed with Vietnamese troops on several occasions in Chongkal, Kralanh, Varin, and Phnum Srok Districts of Siem Reap-Oddar Meanchey Province and ambushed car convoys to obstruct the transportation of logistics in areas of Ratanamondol District of Battambang Province. These resulted in the killing and wounding of a large number of Vietnamese soldiers.

As for the situation along the Thai-Cambodian border, artillery shells from Vietnamese troops landed in areas of Khlong Hat sub-district, Ta Phraya District of Prachin Buri Province; Pong Nam Ron District of Chanthaburi Province; Khun Han District of Sisaket Province; and Kap Choeng District of Surin Province.

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CSO: 4207/110

ACTION DELAYED AGAINST ENCROACHING SRV TROOPS

BK250346 Bangkok THE NATION in English 25 Jan 87 pp 1, 2

[Text] Thailand has delayed military action against Vietnamese troops encroaching on Thai territory in Ta Phraya District of Prachin Buri because of concern that major clashes in the border may spoil the atmosphere of tourism in the country, an informed military source told THE NATION last night.

The source said about 200 Vietnamese troops have taken positions near Ban Sanlo Cha-ngan, about one kilometre inside the Thai border area since late last December.

The Thai military discovered the Vietnamese positions on January 2 after a Thai L-19 reconnaissance plane was shot down while flying over the area.

Border demarcation in that area has never been clearly settled between Thailand and Kampuchea.

It is possible that the Vietnamese troops are using old maps produced by the French that are different from Thai maps; the Thai maps show the positions held by the Vietnamese troops are about one kilometre inside Thai territory, the source said.

The Vietnamese troops were sent into the area in an apparent attempt to check military movements of the Son Sann anti-Vietnam Kampuchean resistance force.

The Thai military is studying the situation and preparing to take action against the Vietnamese intruders at an appropriate time, the source said.

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CSO: 4200/284

VOFA ARTICLE VIEWS STATE OF HANOI LEADERSHIP

BK241234 Bangkok Voice of Free Asia in Thai 1030 GMT 23 Jan 87

[Station article: "The Communist Party of Vietnam Is Still Divided"]

[Text] An AFP report from Hanoi on 5 January said that despite recent changes in the leadership of the Communist Party of Vietnam, a grave conflict has developed, particularly over the appointment of new leaders to replace those who have resigned, and that no decision can be made during the first half of 1987. The change of the leadership, which to many was due since last year, only affected the party. No government leaders have been changed.

During the party congress last month, three of Vietnam's paramount leaders--Truong Chinh, Pham Van Dong, and Le Duc Tho--resigned from their positions in the party citing old age and health. However, they did not give up their posts in the government during the meeting of the State Council last week. Truong Chinh, 79, retains his post as chairman of the Council of State while Pham Van Dong, 80, is still prime minister. The Vietnamese government said that the change in leadership was an important issue which should be left for the National Assembly to decide after it holds elections in the next few months. Although the Vietnamese constitution stipulates that the National Assembly appoints the prime minister and chairman of the Council of State, the National Assembly is, in fact, merely a rubber stamp body serving the CPV. Moreover, sources in Hanoi also confirmed that postponement of changes in government leadership to the middle of 1987 was decided at the last minute during the CPV congress in mid-December. Diplomats and observers in Hanoi agree that the decision on this matter indicated concern on the part of the Vietnamese leadership over attempts to mend the long-existing rift in the party which derived from differences of opinions on various policies and the succession of power. Worse still, the congress has even further aggravated the internal rift.

Reliable sources note that the conservatives in the party will not accept the loss of power by the old leaders who, they believe, can maintain unity within the party. Nor do they recognize reformist Nguyen Van Linh as the new party general secretary. The retention of positions in government for Truong Chinh

and Pham Van Dong provides confidence for the conservatives. Differences of opinion regarding who should be the next prime minister are prevailing. It seems that this issue will usher in new grounds for rivalry between the conservatives and reformists. Observers believe that the conservatives are still influential in the new Political Bureau which was elected in the last congress. Le Duc Tho, leader of the conservatives, lost all of his power during the congress and had to resign from his post in the party. Unlike Truong Chinh and Pham Van Dong, Le Duc Tho was unable to retain his position in the government. In fact, the postponement of the change in the state mechanism gives more time to the reformists to make preparations so as to take on higher positions without having to compromise with the conservatives. For instance, General Vo Nguyen Giap, who led the Vietnamese troops to defeat the French at Dien Bien Phu in 1954, wants to become prime minister. Although he was barred by the conservatives from being elected to the Political Bureau, Giap still enjoys much support from the people. He is believed to be the most powerful candidate for premiership. Meanwhile, many Vietnamese people are disappointed that the CPV congress in December did not bring any big changes as it should have. In particular, the Vietnamese people of younger generations feel that everything stands still. The past change of leadership was only a mirage. The change has also made the atmosphere more complicated and sombre. Division among the power holders has worsened because the new CPV general secretary has to listen not only to the Political Bureau but also to the old leaders who are still influential in government. A Soviet official even noted that the situation is rather misleading. An East European diplomat expressed his concern over the weakness of the new CPV general secretary and the paralyzation of the power center that has adverse consequences on Vietnam's economy now suffering a crisis that can be solved only by a strong administration. However, everything seems to depend on how effectively Nguyen Van Linh can do his job. If he is unable to make any change in the government in the next 2 or 3 months, Vietnam will risk becoming weakened and effecting lasting political reconciliation and this will constitute obstacles to the drastic change of its policies which it really needs now.

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CSO: 4207/110

FISHING BOAT FORCED INTO BURMESE WATERS BY NAVY

BK120930 Bangkok THAI RAT in Thai 11 Jan 87 p 20

[Text] At 0730 on 9 January the Thai fishing boat Chumphon Chai Nawi, which belonged to Sa-at Yaiying in Ranong Province, was fishing in Thai waters in the Andaman Sea about 2 miles from Chang Island. It was approached by a 100-foot Burmese navy boat, No 413, which tried to force the Thai fishing boat into Burmese waters. The captain of the Thai boat, Thongchai Sihachon, and his seven crewmen cut the net and radioed the Thai marine police before jumping into the sea.

Thai marine police boat No 540 with Police Lieutenant Colonel Kowit Phiromwong and seven police crewmen arrived on the scene while the Burmese boat was alongside the Thai fishing boat. The Thai police boat signalled to the Burmese boat, which moved away into Burmese waters and left four Burmese sailors on the Thai fishing boat. While the Thai policemen were negotiating with the Burmese sailors, the Burmese boat was driven in between the Thai police boat and the fishing boat, slightly damaging the smaller Thai police boat. The Burmese boat then towed the Thai fishing boat into Burmese waters without the Thai police boat being able to do anything.

The crewmen of the Thai fishing boat were rescued from the sea at about 1600. The governor of Ranong and police officials will report the incident to the higher authorities after completing their investigation.

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CSO: 4207/110

FISHERY DEPARTMENT OFFICIAL URGES CAUTION IN BORDER WATERS

BK190935 Bangkok MATICHON in Thai 19 Jan 87 p 16

[Text] According to Plotprasop Suratwadi, deputy director general of the Fishery Department, on 14 January the Sea Operations Center of the Royal Thai Navy sent an urgent message to the Agriculture and Agricultural Cooperatives Ministry saying that Vietnam has dispatched a fleet of 30 ships, former Thai fishing trawlers confiscated by Vietnamese troops, from Kompong Som port in Cambodia to the areas adjacent to Thai territorial waters with the intention of preying on Thai fishing trawlers. Therefore, the deputy director general of the Fishery Department has informed provincial fishery associations, the Fishing Trawlers Association of Thailand, and every fishing trawler to take precautions and try to fish in groups. So far, no fishing trawler was reported to have been attacked by the Vietnamese.

Plotprasop believed that the new move taken by Vietnam is politically motivated and is aimed at humiliating the visit to Thailand of the Chinese Armed Forces chief of staff. In the past, Vietnam would come out to catch Thai fishing trawlers when there was border clash between Thai and Vietnamese soldiers so as to create pressure on the Thai side. He noted that such a bellicose act should be condemned. No country has ever earned money by abducting fishermen for ransom. Thai fishing trawlers are officially required to pay the so-called "water money" to Vietnamese administrative officials in order to fish in the common border areas.

Plotprasop noted that the fishery system has to be reorganized so as to control the number of fishing trawlers, fishermen, and factories which use marine products as raw materials and set up joint fishing ventures with other countries.

Meanwhile, Prime Minister General Prem Tinsulanon reportedly held talks with Agriculture and Agricultural Cooperatives Minister General Han Linanon on the reorganization of the fishery system in Thai territorial waters. The matter will be submitted to the Cabinet for consideration by the ministry on Tuesday.

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CSO: 4207/110

FOREIGN MINISTER CONCLUDES VISIT TO BRUNEI

BK170946 Bangkok Domestic Service in English 1500 GMT 15 Jan 87

[Text] Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila said Brunei's construction materials in the next 5 years will be largely supplied by Thailand. Air Chief Marshal Sitthi said at Dong Muang Airport after returning from a 4-day visit to Brunei yesterday that construction development was part of the country's 5-year economic plan.

Air Chief Marshal Sitthi also said Brunei's labor market is projected to expand and Thai workers will be required in large numbers in the next 3 or 4 years.

A group of Thai businessmen are planning to invest in the cold storage facilities in Brunei to preserve Thai fruit exports which have reached 100 million baht at the beginning of this year. Textile and medical supplies have also been singled out as major foreign exchange earners for Thailand. A joint venture in furniture business is likely as the latter lacks skilled carpenters but it abounds in wood, Air Chief Marshal Sitthi said. An air service agreement has been signed between both sides to allow the national airline of each country to stopover in the other's four times a week.

At the planned ASEAN summit in December in Manila, Air Chief Marshal Sitthi said ASEAN countries will be urged to make some economic sacrifices for the survival of the region's economy as a whole. Air Chief Marshal Sitthi said he had been well received by his host. His talks with Brunei Foreign Minister Mohamed Bolkiah were cordial.

The Thai foreign minister has extended an invitation to the sultan of Brunei to visit Thailand. He also invited Mr Bolkiah to visit Thailand during Visit Thailand Year.

/8309

CSO: 4200/284

OFFICIAL ON FOREIGN MINISTRY STRUCTURAL CHANGES

BK270235 Bangkok THE NATION in English 27 Jan 87 p 4

[By Kawi Chongkitthawon]

[Excerpt] Internal changes are forthcoming in the next few weeks within the "brain" of the Foreign Ministry--the Department of Political Affairs--in order to cope with the increasing complexity of contemporary international problems and to make better use of human resources in the ministry.

M.R. Kasem S. Kasemsi, the permanent secretary for foreign affairs, told THE NATION that the "functional" approach, which is currently enforced in the political section, will be switched to the "regional" approach "in a matter of weeks."

"This change is essential if Thailand wants to have a creative and adaptable foreign policy," Kasem said in an interview last week.

At present, the Political Affairs Department is divided into six divisions: Europe, the Americas, East Asia, Southeast Asia, South and West Asia and Africa and the Arab world. These divisions, as the department's name suggested, deal mainly with the political aspects of Thailand's bilateral relations with foreign nations such as the Thai-U.S. security relations and Thailand's position on the Iran-Iraq war.

As a result, other non-political matters are being dealt with by other departments within the ministry such as the Department of Economic Affairs and Department of Information. To get the maximum result from the functional approach, Kasem pointed out, an excellent coordination is indispensable between one department with the other.

The lack of coordination among departments, especially on political and economic issues and delay due to bureaucratic red tape were cited by Kasem as the shortcomings which must be done away with.

Kasem who has become the top Foreign Ministry official to serve as a permanent secretary twice, said the new arrangement will divide the Thai external relations with foreign countries into four major bureaus: Bureau of East Asian and Pacific Affairs, Bureau of Middle East, South Asia and African Affairs, Bureau of European Affairs and Bureau of American Affairs.

The Southeast Asian region will include the East Asian Bureau while the European Bureau will divide between East and West Europe. The American Affairs Bureau will look after Latin America and the Caribbean Islands.

According to the permanent secretary, each bureau will be directed by a newly assigned senior official, whom he will call "assistant to the permanent secretary." These four assistants, responsible for their respective areas, will report to a "super director general"--which is the equivalent to director-general of the ministry's department as it is structured now. The super director general will bring foreign policy developments to the attention of three key top ministry's leaders: the foreign minister and his deputy and the permanent secretary.

THE NATION has learned that the four assistants to the permanent secretary have been named--Sarasin Wiraphon (East Asian and Pacific Affairs), Witthaya Romyanon (South Asia, Middle East and Africa), M.L. Sakthip Krairoek (American Affairs) and Sombun Sa-ngiambut (European Affairs). M.R. Thep Thewakun will be the super director-general supervising the four bureaus.

The new approach, Kasem is convinced, will enable each bureau to handle foreign policy issues in their "totality" with more "balanced" approach.

"As it is now, the assignment is given according to its functional purpose. Economic matters in the bilateral ites [as printed] will go to the economic department. Under the new arrangement, each bureau will handle all aspects of Thailand's relations with countries concerned, be it in the political, economic, social, cultural and other areas," Kasem said.

As it is being practised at present the bilateral cultural relations are handled by Public and Cultural Affairs Division, Department of Information will only focus on dissemination of information.

The idea was given the greenlight by foreign Minister Sitthi Sawetsila recently. Changes are to be carried out very soon within the ministry's bureaucratic structure. For instance, officials from the Department of Economic Affairs dealing with bilateral trade and economic issues will be transferred to their respective bureaus, according to Kasem.

"We don't [as printed] want to raise the storm by going against the established rule. The new approach serves our ministry well," he said.

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CSO: 4200/284

SIAM RAT VIEWS DEMOCRAT ELECTIONS, PREM STABILITY

BK141252 Bangkok SIAM RAT in Thai 14 Jan 87 p 9

[Article: "Will the Democrat Party Leader Remain in His Post for 2 Years Just To Help Preserve Government Stability?"]

[Excerpts] The Democrat party leader and executive committee elections have resulted in Phichai Rattakun retaining his party leader post and Lieutenant Colonel Sanan Phachonprasat gaining the secretary general post, while the team led by Chaloephan Siwikon was defeated. The result of the intraparty power struggle could be anticipated even before the election outcome became known because Phichai has much more charisma as a candidate for party leader than Chaloephan.

Phichai's party leader post runs for 4 years. Probably being aware of his own limitations, however, he has announced that he will only remain in the leader's post for 2 years before resigning to allow other able candidates to take over. In short, Phichai sees himself merely as having the duty of helping to ensure the survival of the Prem V government until the end of its term. People in general seem to accept the fate that the Prem government will end its term in mid-1988, after which a new super-gentleman will inherit the position of prime minister.

Regarding the Democrat party election, the conflict which led to the election certainly was serious and divisive because no compromise could be reached between the rival factions despite last minute efforts. None of Chaloephan's team members were elected to the new party executive committee. It appears that intraparty disputes will continue. Although the comprehensive war within the party has ended and the winners and losers have been identified, guerrilla warfare will continue in the party, leading some people to fear for the stability of the Prem government, particularly after parliament convenes in April. They fear that history may repeat itself, like in the case of the crisis in the Social Action Party which led to dissolution of parliament on 1 May last year. Although that possibility exists, parliament will not convene for another 2 months. Also, the government is quite adroit and should be able to somehow resolve the unity problem in the Democrat party.

Do not forget that the government will have to keep its current leader until mid-1988 in order to allow the new super-gentleman to appear on the scene. For this reason, it will have to do everything possible to maintain the status quo for another year or so.

Let us keep an eye on ex-staff officer Sanan, the current Democrat party secretary general. He has been sent to prevent the division problem in the Democrat party from having repercussions on the government stability. Ex-staff officer Sanan should have no problem handling this little task.

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CSO: 4207/110

KHAO PHISET EXAMINES PLOTTING AGAINST CHAWALIT

BK121413 Bangkok KHAO PHISET in Thai 15-21 Dec 86 pp 22-24

[Article: "The Secret Budget--Who Is the Hooded Man Seeking to Destroy Chawalit? The Army Looks Closely at Parliament--the Democrat Party"]

[Excerpts] Many circles have continued to discuss the parliament budget scrutiny commission's proposed cut of the army's secret fund by 4 million baht from the 1987 national budget in the context of who masterminded the plan ostensibly to destroy the Army Commander, General Chawalit Yongchaiyut.

Chawalit's subordinates have searched earnestly for the origin of the proposed cut of the army's secret budget. Lately their initial suspicion of Defense Minister Air Chief Marshal Phaniang Kantarat and Prime Minister Gen Prem's supporters has subsided, and now they have made two noteworthy observations.

1. A person close to General Chawalit pointed out that Yenchit Raphiphat Na Ayutthaya, who openly supported the proposed secret budget cut, is an MP from Prachakon Thai, whose leader--Samak Suntharawe!--is known to have a close relationship with a group of army officers who rivaled General Chawalit. This group and Chawalit's group compete for the confidence of the same senior level individual.

2. This observation concerns the United States. It is to be noted that General Chawalit has vehemently criticized U.S. trade protectionism. Before that he tried to separate the army from mistakes the government made, voicing his support for a righteous government. Observers feel that efforts to destroy Chawalit appear to be continuous ever since he was criticized for trying to use the communist resurgence as a scarecrow and the robe presentation to a Thai monastery in Los Angeles by a group from Thailand among whom heroin was seized.

An army general said that while we may have forgotten about the CIA's political interference abroad, such as in the Philippines, the CIA has never ceased its operations in Thailand.

There could be other valid observations, but political observers in general feel that while the CIA's involvement may seem incredible, as observers, they must look at all possible angles.

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CSO: 4237/110

DEMOCRAT PARTY ELECTS EXECUTIVE COMMITTEE

BK200851 Bangkok THAI RAT in Thai 20 Jan 87 p 20

[Text] The Democrat Party committee, elected on 10 January, held its first meeting on 19 January at party headquarters. According to Suphattra Matsadit, party spokesman, the meeting elected 15 party committee members to the Executive Committee. They are: Phichai Rattakun, party leader; Lieutenant Colonel Sanan Khachonpraset, party secretary general; Chuan Likphai and Anek Thapsuwan, deputy party leaders; and Trairong Suwankhiri, Charoen Khanthawong, Akhom Sonsuchat, Sano Phungchiam, Suphattra Matsadit, Ongat Khlamphaibun, Lek Nana, Manop Thanasukan, Pramot Sukhum, Chatchai Iasakun, and Churin Laksanawisit as members.

The 15 Executive Committee members divide their responsibilities as follows: Trairong Suwankhiri and Charoen Khanthawong as deputy secretary generals, Akhom Sonsuchat as registrar, Sano Phungchiam as treasurer, Suphattra Matsadit as spokesman, Ongat Khlamphaibun as deputy spokesman, Lek Nana as welfare and finance officer, Manop Thanasukan as deputy welfare and finance officer, Pramot Sukhum as public relations and coordination officer, Chatchai Iasakun as deputy public relations and coordination officer, and Churin Laksanawisit as planning and party branch development officer.

Speaking to newsmen Deputy Public Health Minister Watcharin Ketawandi said no special invitation will be made to Wira Musikaphong and Chaloephan Sivikon to assist in party development because all members must assist the party, and Chaloephan has said that he would help the party.

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CSO: 4207/110

ATHIT TO JOIN MAJOR PARTY RATHER THAN SET UP ONE

BK280322 Bangkok THE NATION in English 28 Jan 87 p 3

[Text] Former Supreme Commander Gen Athit Kamlang-ek disclosed yesterday he wants to join a major political party rather than set up one of his own.

Athit made this point during a question-and-answer session after giving a lecture on "attitude toward the Thai society" at the Chamber of Commerce College.

He said he has no plan to form a political party because he has no financial support. "I have been approached several times to set up a party. But no one has offered to pay for it," he told the students.

He said it is still too early to tell whether he will run in Bangkok for a seat in the House. "But I can say now that if I enter politics, I would want to join a major party with many seats in the House. Otherwise, I may not be of much use even though I am elected to the House," he said.

Asked whether he wants to be prime minister if he is offered the job, Athit said he cannot answer this question.

To be prime minister, one must have political backing of major parties and appointment by His Majesty the King, he noted.

"And so far, no one has offered me the job yet," he added.

Athit declined to comment on the performance of the Prem V [Roman five] Government, saying that he is merely a retired general who is not in a position to make any comments.

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CSO: 4200/284

ARMY CHIEF PAYS LAST RESPECTS TO SLAIN INSURGENTS

BK220228 Bangkok THE NATION in English 22 Jan 87 p 1

[Text] Nakhon Si Thammarat--Army Commander-in-chief Gen Chawalit Yongchaiyut yesterday led soldiers and repentant rebels to pay last respects to the remains of guerrillas killed during years of fighting in the southern jungles.

A former senior member of the Communist Party of Thailand (CPT) described the ceremony as "the lighting of the flame of peace" while Gen Chawalit said it reflected the "love and concern the government has for the souls of the dead."

More than 10,000 people, including many communist defectors and family members of the dead, attended the unprecedented event held at Wat Mai Siap in Ban Mai Siap, Tambon Ta Prachak of Cha-ua District.

During the ceremony, officially called "Kraduk Khao Bua," the remains of 73 communist insurgents exhumed from jungles were put to rest in an especially-built urn. Gen Chawalit led a one-minute observance of silence to mourn the dead.

The army chief said the ceremony, organized by the Fourth Army Region, was another historical event which "reminds us of the sad past in which Thais had to kill Thais."

Commander of the Fourth Army Region Lt Gen Phisit Atkhumwong said there was a list of 536 names of slain communist insurgents submitted by their family members for the ceremony. But the remains of only 73 of them could be found, he said.

During the ceremony, another 51 communist insurgents officially surrendered to the authorities with their weapons, which they handed over to Gen Chawalit.

Prakhong Rotnu, a former secretary general of the CPT provincial committee for Phatthalung, Trang and Surat Thani, made a pledge on behalf of the defectors that they will be loyal to the country, religion and the throne and abide by the anti-communist policy No 66.23.

Army officials estimated that there are only 100 communist insurgents left in the jungles of these four southern provinces.

The ceremony yesterday, which was broadcast nationwide, marks an end to one of the bloodiest chapters of communist insurgency in Thailand. Communist guerrillas were particularly active in the region until the government successfully overran their stronghold in Chong Chang, Surat Thani in 1983.

"In today's ceremony, the light of peace was lighted," Prakhong said.

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CSO: 4200/284

CENTRAL BANK MOVES TO SAVE SIAM CITY BANK

BK130145 Bangkok THE NATION in English 13 Jan 87 pp 1, 2

[Text] The Bank of Thailand yesterday finally imposed the first phase of a rescue package on Siam City Bank cutting the value of existing shares by 95 percent, ordering a further share issue of 1,500 million baht and paving the way for changes in the bank's management.

The governor, Kamchon Sathirakun, stressed that the measures would strengthen the bank and have no effect on deposits. Finance Minister Suthi Singsane, who had earlier been reported dissatisfied with the central bank's handling, said during a press conference that he had been informed and consulted throughout and had every confidence in the central bank.

He said the Bank of Thailand had followed the law and had neither been too slow nor too fast.

At noon yesterday, the latest deadline for Siam City Bank to convince the central bank that it could raise the required extra 1,000 million baht in capital, Siam City Bank Chairman Chaloom Chieosakun delivered a letter to the central bank saying that the bank would not be able to raise the required amount of capital. He asked the Bank of Thailand to proceed with the actions it had planned.

The central bank's final decision came from a meeting of senior officials including Governor Kamchon, Deputy Governor Chawalit Thanachanan, assistant governors Manot Kanchanachaya and Phaisan Kumalawisai, Director of Bank Supervision and Examination Ekkamon Khirawatthana, Legal Department Director Yong Sinam and spokesman Siri Kancharoendi.

At 2.30 pm, they were joined by the finance minister who later described the central bank's action as designed to "solve the problems and rehabilitate" the troubled commercial bank. He denied that there had been any political interference and predicted that Siam City Bank would soon recover. He said the action taken would strengthen the country's financial system.

The Bank of Thailand ordered a cut in the present per value of Siam City Bank's shares--which Kamchon described as less than worthless--to five baht each. That cuts the total value of capital by 760 million baht from the par of 800 million baht to 40 million baht.

Shareholders, subscribing to 80 million baht in preferred stock last year, and those pledging to take up 107 million baht in ordinary shares in the past few days will not suffer.

Siam City Bank is given three days to register 1,500 million baht in new shares which would bring the new total to 1,540 million baht. Present shareholders will be given two weeks to take up new shares after which they will be offered to new shareholders.

A committee of four or five people is to be appointed to coordinate with Siam City Bank's Board of Directors in the issue of new shares. Two officials from the Bank of Thailand have already been designated to "coordinate and advise" Siam City Bank's running. One will be one of two assistant governors: either Manot or Phaisan. The other will be Ekkamon deputy director at the Department of Bank Supervision and Examination, Samrong Wanichayanon.

The Fund for Rehabilitation and Development of Financial Institutions, which is controlled by the central bank, is standing by to buy up to 500 million baht of the new shares. If present or new shareholders take up more than 1,000 million baht of the new equity, the Fund's stake will be reduced accordingly. The Fund could also buy shares initially in order to sell them later.

The central bank is also preparing soft loans to help the bank. No specific figures were mentioned yesterday, but on earlier occasions Kamchon has spoken of up to 3,000 million baht in bonds from which Siam City Bank could draw interest.

The Bank of Thailand is clearly determined to make sure that control of the troubled bank remains in the private sector while also ensuring that the bank is rescued from accumulated doubtful debts and losses. Precise figures have not been revealed, but Kamchon said yesterday that Siam City Bank's 800 million baht capital did not cover accumulated losses.

Speaking after Suthi at yesterday afternoon's press conference, Kamchon stressed that the central bank was not taking over control of Siam City Bank. He said it was up to the original management to act within its responsibilities and according to the law.

However, statements from the central bank indicate that there is likely to be some management change. And if Siam City Bank fails to approve and register the required 1,500 million baht increase in capital by tomorrow evening, then the central bank does have the power to sack the management.

The Bank of Thailand also wants Siam City Bank to introduce better internal controls with responsibility given directly to the Board of Directors.

While those administrative reforms are being introduced, purchasers would be sought for the new shares. Replying to reporters' questions yesterday, Suthi, who is chairman of the Crown Property Bureau's board, indicated that the bureau could buy some of the new shares in order to maintain its stake of 7.38 percent.

But he said the five-member committee has not yet decided on this.

Other possible shareholders the central bank has been talking to include the Siam Commercial Bank. But the conditions would have to be good for Siam Commercial Bank to participate in equity holding or management.

For example, if Siam Commercial Bank were to demand a controlling stake in Siam City Bank, then a special order would have to be issued by the finance minister, because the law normally only allows one bank to hold up to 10 percent of another bank's equity.

Throughout the developing crisis at Siam City Bank, the business community and the public appear to have remained calm. There has been no run on Siam City Bank's deposits. But yesterday evening there were reports of withdrawals from Siam City Bank's Tha Rua branch in Kanchanaburi, amounting to "a few hundred million baht."

This is said to be slightly higher than normal and the withdrawals are said to have been under credit loans.

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CSO: 4,00/284

CENTRAL POLICY, LOCAL MOVES ON RICE ISSUE VIEWED

Deputy Premier Sonthi Interviewed

Bangkok NAFO NA in Thai 18 Dec 86 p 3

[Interview with Admiral Sonthi Bunyadmai, the deputy prime minister and chairman of the Rice Policy and Measures Committee (RPMC); date and place not specified]

[Text] [Question] Will the RPMC guarantee rice prices or announce a medium price in order to prop up rice prices?

[Answer] There is no such thing as a guarantee. I don't know what the words "guarantee" or "medium price" mean. I have asked many people what "guarantee" means. Does that mean purchasing rice at 5,000 baht per kwian [1 kwian equals 2,000 liters]? If buyers are forced to pay a certain price, is that democracy? If you have to pay 5,000 baht, is that democracy? I don't think so. There must be democracy on all fronts, not just on this or that front. Some people want prices to rise. But do those who buy rice for consumption want prices to increase? I am speaking frankly.

[Question] What if there is an average price in each area?

[Answer] I think that that is possible if there is a program.

[Question] What about the 5 billion baht? The deputy minister of finance (Mr. Praphat Photosuthon) announced that the RPMC has already authorized this through the Bank for Agriculture and Agricultural Cooperatives (BAAC). There is confusion about whether this is a new allotment or whether this is just a readjustment using old funds. Would you comment on this?

[Answer] We talked about this at the cabinet meeting today (16 December). I was the one who raised the issue at the meeting. I expressed the hope that the help will actually reach the farmers. The BAAC will provide help. I have asked the Ministry of Finance to discuss this matter and find a way to achieve real results. This is a new sum of money. The Ministry of Finance has already received this. We should know the results in a day or two. As for the amount, the Bank of Thailand, Ministry of Finance, and BAAC have estimated that about 5 billion will be used.

[Question] Added to the old sum, that totals about 10 billion.

[Answer] You can't include the old sum. That is encountering difficulties. From what we know, corrections will be made. At first, we didn't understand why this wasn't being used. But now we know that it is because many of the rice mills are in debt. The banks don't want to lend them money. Second, the rice has just begun to go to market. People haven't borrowed money yet. If people don't buy, they don't need to borrow. But it's true that preparations need to be made, and the first problem is an obstacle. We are looking for a way out. Initially, we thought that the banks with debts could stockpile the new rice. The commercial banks would probably make loans. That was one solution. But now, because of the problems, we have to reconsider this.

[Question] Many people have made the criticism that you are not knowledgeable about this. What is your response to this criticism?

[Answer] Let me be frank. I am an old-fashioned Thai. I don't like to brag. I am modest by nature and don't like to tout my importance. People are free to say what they want. That doesn't bother me. All I want to do is carry out my duties as well as I can. That is all I want.

[Question] Are you confident that these measures will achieve results?

[Answer] I am a person who can be called a warrior. I served in the military from the age of 18 until I retired at age 63. I am now 69 years old. Soldiers have just one intention and that is to work for the nation. "Nation" refers to the people of the entire country. This is my intention. I am still healthy physically and mentally. Thus, I am confident that we can achieve results. I don't think that the problems concerning short-term programs will pose any major difficulties. Let the talkers talk and let the writers write what they want. You can see what the reality is. I am sure that the results from the long-term programs will reach the farmers. And that means in following seasons, too. Today, things are improving.

[Question] Some say that you, a neutral figure, were appointed to head the RPMC in order to avoid having to appoint a minister, that is, a politician associated with a political party, and to prevent the RPMC from being used for campaign purposes. What is your view on this?

[Answer] I don't agree with that. That is what people thought would happen. Whenever something happens, people start anticipating what will happen and who will be involved. But I don't agree with that. I have my duties. The prime minister is my boss. He thinks that I can do the job. He has made me responsible for this and so I must act. It's not a matter of separating this and that.

[Question] What do you think about the statement made by the deputy minister of finance, which failed to clarify matters?

[Answer] Actually, Mr Praphat (Photosuthon) came and informed me about this. And he agreed to discuss matters and coordinate things with the Bank of

Thailand and the BAAC. After things have been coordinated, I think that things will improve. But I don't have the authority to make decisions. The APMO should be informed in advance. The Ministry of Finance should be the one to work out things. This was turned over to the Ministry of Finance at today's cabinet meeting. Today, our country needs a show of solidarity. Whenever people write something or do something, they should try to foster solidarity. They shouldn't do anything to split people apart. I hope that people won't write anything that fosters divisions.

[Question] Do the criticisms bother you?

[Answer] Not at all. I have my duties and must carry out those duties. I am prepared for criticism. I am criticized all the time. That's fine, because it's like a mirror that I can use to see myself. I am sincere about my work. I am not doing this for personal gain.

[Question] Regarding the present rice situation, is there anything in particular that you have brought to the attention of the prime minister and how concerned was he?

[Answer] He is very pleased. He is happy. The prime minister is happy.

[Question] Are you referring to the fact that rice prices have increased?

[Answer] People keep talking about this. But no one can say anything about prices. Only god can. Ordinary people can't say anything. Prices.... The owners of the rice mills can speak out. So can the owners of the rice. The owners of the rice want higher prices. The owners of the rice mills want lower prices. God can speak. But others who don't have responsibilities concerning this can't say anything.

[Question] If it doesn't have anything to do with rice prices, then why is the prime minister so happy today?

[Answer] I never thought I would be asked such a question. I said that because we want to think about pleasant things. We are interested in what will benefit others and what can be done. There is happiness.... The prime minister wants to help others. He is not interested in lining his own pockets. Whenever you accomplish something, this makes you happy, even if you don't hit all your targets.

[Question] And are you happy?

[Answer] Always. (Laughs) I am happy even when people criticize me. It's the truth.

Army To Pay More to Farmers

Bangkok NABO NA in Thai 27 Dec 86 pp 1, 16

[Unattributed report: "Army To Buy Rice at 100 Baht Per Kwian Above Cost"]

[Text] When buying paddy from the farmers, the army plans to pay them 100 baht per kwian more than other units. This was disclosed by Lt Gen Charuai Wongsayan, the deputy army chief of staff, on 26 December.

The army has asked the government for 200 million baht in order to purchase paddy from the farmers based on the policy of helping the farmers at the beginning of the production season. Lt Gen Charuai said that this is the policy of Gen Chawalit Yongchaiyut, the RTA CINC. Plans for this have already been formulated. When buying paddy, the army will note the prices in each area, which differ. It will also consider the prices paid by the Ministry of Interior and other units. It will then pay 100 baht per kwian more than the other units.

The deputy chief of staff said that the army can pay more than other units because the army uses the rice itself. The army operates eight mills in the provinces.

As for remote areas and areas where the army does not have any rice mills, if the army buys rice and mills it itself, expenses, including transportation costs, will increase. Thus, military units in these areas will coordinate things with the private rice mills in purchasing and storing the rice so that the soldiers and their families can use this rice.

Chawalit, Prasong Comment on Purchases

Bangkok DAO SIAM in Thai 3 Dec 86 pp 1, 16

[Excerpt] At the army auditorium on the morning of 2 December, Gen Chawalit Yongchaiyut, the RTA CINC, answered reporters questions about the army's program for helping the farmers. He said that the army is providing help and purchasing rice from the farmers just as it did 2 years ago. Orders have been given to purchase rice in Suphanburi, Saraburi, and Lopburi provinces. The matter of making contact is a very important matter. Sometimes, the army doesn't know whom to contact. If they join together as in Suphanburi, the army will be able to make contact. But in other places, they have not joined together. The army doesn't want to do anything that would benefit others. It wants to help the farmers directly.

A reporter asked whether the problems would disappear if the farmers join together. Gen Chawalit said that we can't say that. The army is just a small organization as compared with other government units. It is just providing some additional help. There are variations in rice prices, but the army will pay at least 2,400 baht per kwian. That seems to be a fair price today. But he said that he doesn't know the details. Officials are handling matters. Farmers are poor, and rice prices are depressed. Everyone should join together to provide help instead of sitting around arguing.

In his capacity as chairman of the Committee to Carry on Activities and Evaluate Activities Based on Government Policy, Squadron Leader Prasong Sunsiri said that the units sent out have now returned. They have provided information on the situation during the past period and explained what preparations have been made. They have also explained how the money borrowed from the commercial banks has been used. The committee has issued a resolution to establish a unit to take responsibility for policy issues. That is, officials will be appointed to inspect each unit. The matter will be entrusted to the subcommittee headed by Mr Amphon Arunrangsri, the deputy under secretary, Office of the Prime Minister. Each ministry will send a high-level representative to help supervise rice matters. The secretary general of the National Security Council will report matters to him. Each unit will report to the ministry and send a copy to him. This will be done every 10 days. The inspectors from the ministries will supervise matters. He will make a final check. He stressed that he doesn't want anyone to think that the aim is to find fault. He has informed the prime minister, and the prime minister said that he should make this clear. However, if someone acts dishonestly, that is another matter.

Sonthi on Funding, Prices Noted

Bangkok MATICHON in Thai 20 Dec 86 pp 1, 16

[Excerpt] In an interview on the morning of 19 December, Admiral Sonthi Bunyachai, the deputy prime minister and chairman of the Rice Policy and Measures Committee, talked about his trip to Lopburi and Saraburi provinces to learn the truth about the rice situation there. He found that many of the large rice mills have not yet gone into operation. The reason is that they are in debt to the banks. He has asked the governor of the Bank of Thailand to consider what can be done to help the rice mills. The bank has informed the mills that they should propose paddy purchase programs. If they can purchase paddy during the new production season, loans will be made, with this having nothing to do with old debts.

Admiral Sonthi said that the government's various measures authorize a total of 10 billion baht. But it's unlikely that that much will be used. He expects to use approximately 5 billion baht. The Bank of Thailand already extended credits totaling 1980-190 million baht to the mills through the commercial banks.

Admiral Sonthi said that he has asked the rector of Kasetsart University to send 600 students and officials to purchase rice samples in 30 provinces. They are to purchase 20 tang [1 tang equals 20 liters] in each province at the market price. Rice samples will be taken to the laboratory to examine the percentage of each type of rice, the moisture content, and market prices. The purpose is to learn the truth about prices in order to make things as fair as possible. This program got underway at the beginning of December and will continue for 4 months. The prime minister approved this program.

Admiral Sonthi said that some people oppose releasing money through the Bank for Agriculture and Agricultural Cooperatives to accept paddy pledges from the

farmers because the farmers don't have barns to store the rice. He said that the farmers should store their rice together in one place and then take documents to the BAAC showing where their rice is stored. There shouldn't be any problem with this. In his view, having the BAAC accept paddy pledges should bring results.

Admiral Sonthi said that the matter of the 5 billion baht to be released by the Bank of Thailand will be discussed again at the 22 December meeting of the RPMC. Farmers from Suphanburi have announced that they will hold a joint demonstration with students at Thammasat University on 26 December. A reporter asked him his view on this. Admiral Sonthi said that "I don't know why they plan to do this. Do we want to start a bonfire in the house? Besides burning down the house, I will get burned, too."

Admiral Sonthi said that farm leaders from Suphanburi came to see him recently and told him that they would like him to come see them. Thus, on 25 December, he will go to meet with farmers in Suphanburi Province. He will tell them what the government has done and what it is trying to do.

"I will not talk about rice prices. Because even god can't say anything about this. Just talking about higher prices doesn't do any good. I will tell the farmers in Suphanburi about the things that the government is trying to do in order to solve this problem," said Admiral Sonthi.

A reporter asked what progress has been made regarding the 300 million baht to support exporters. Admiral Sonthi said that a measure has already been passed on providing support, but he can't discuss this now. If he did, people might try to take this opportunity to make a profit. Only five people know about this. Things have already gotten underway.

"In solving the rice problem, we want to help the poor farmers first. I hope that the newspapers won't print anything that will lead to fights or charges that the government is not doing anything. The government is making a great effort. My motto is to work for others, not myself. If we fail to solve the rice problem, we can be fired. That's all. We would still be very comfortable. But things would be very difficult for the people," said Admiral Sonthi. He told the reporters, "in case we don't see each other again next year, I wish you good luck."

A report from rice trading circles discussed the policy of Mr Montol Phongphanit, the minister of commerce, who plans to increase rice exports and purchase 500,000 tons of rice from the farmers in January, 400,000 tons in February, and 300,000 tons in March and April. The report stated that if the rice can't be exported, various means will be used to stockpile 300,000 tons, 300,000 tons in January and 100,000 tons in February. The Ministry of Commerce will purchase some or have exporters stockpile rice and compensate them for storing the rice. They will also receive an inducement bonus. This will be submitted to the RPMC once more.

The report stated that there is a chance that rice prices at the beginning of the season can be increased by exporting rice. But it is very likely that Mr Montol will choose to stockpile rice. Two exporters have agreed to stockpile

200,000-300,000 tons. They will be paid approximately 3.15 baht per month per gunny bag for storing the rice. And if the Ministry of Commerce asks them to deliver the rice for export, they will be paid a bonus of 25 baht per bag. Some people have criticized this, saying that the two exporters are being paid too much. Normally, the storage fee is 1.5 baht per month per gunny bag. Thus, the Ministry of Commerce will have to pay these two exporters about 30 million baht above the normal cost.

However, the best way to prevent anyone from losing or gaining is to have the exporters and merchants, or rice mills, submit bids for the rice. That would be fair to all. Also, storage costs would be lower than paying just a few exporters to store the rice. This would take the rice off the hands of the farmers just as in the past without benefiting or penalizing anyone.

The report stated that if Mr Montrai recommends having just a few exporters store the rice, with these exporters standing to make above-normal profits, the RPMC will definitely reject this. Exporters are aware of Mr Montrai's plan.

Bank Manager, Monk, Governor Involved

Bangkok THAI RAT in Thai 24 Dec 86 pp 1, 6, 20

[Excerpt] The government is trying to solve the paddy price problem by extending credits totaling 5 billion baht through the commercial banks to enable the rice mills to purchase rice. Now, the Ministry of Finance has proposed spending another 5 billion baht through the Bank for Agriculture and Agricultural Cooperatives to accept rice pledges. On 23 December, the RPMC submitted this proposal to the cabinet for approval. After the cabinet meeting, Mr Montrai Chenwitkan, the deputy spokesman attached to the Office of the Prime Minister, said that the cabinet approved the program to accept paddy pledges and stipulated the following criteria:

Paddy pledges will be accepted from the farmers directly. Farmers who want to pledge rice must be customers of the BAAC, or the BAAC must have received a customer registration form in accord with BAAC regulations. The paddy must belong to them, and they must have barns. The pledge period is 6 months. The paddy will serve as collateral for the loan. Farmers who want to pledge paddy must form groups of at least five people. The group as a whole will be responsible for the debts. Loans may be given for up to 80 percent of the value of the paddy pledged, but no individual farmer will be loaned more than 30,000 baht. If a farmer needs more than that, his request will be considered on an individual basis.

Mr Montrai said that the BAAC expects to receive paddy pledges from 675,000 farmers. It is thought that farmers will pledge a total of 2,701,000 tons. The amount of money involved will be approximately 5 billion baht. The cabinet has authorized paying the BAAC 5 percent of the value of the loans to defray the cost of the project.

As for receiving rice pledges from farmers' institutions, these institutions must be qualified to borrow money from the BAAC. They must have barns, inspection tools, and personnel to look after the rice. And what is very

important, they must be institutions that have never been involved in corruption. They must redeem the pledges within 12 months. Pledges for each institution must not exceed 5 million baht.

Mr. Montri said that the prime minister has observed that the success of the paddy pledge program will depend mainly on how well officials perform their duties. Thus, he has asked that things be done in accord with the regulations in order to hit the targets in helping the farmers. He has also asked that emphasis be placed on providing help in the provinces with the most problems, particularly in the central region. The BAAC will prepare manuals to explain things to the farmers. The mass media should explain the steps, too, on an on-going basis.

Mr. Chamlong Totong, the governor of the BAAC, added that the BAAC will send officials to various subdistricts to distribute BAAC documents and manuals. The farmers should inspect their barns to see if everything is ready. If anyone wants to make contact, they should do so through their groups just as in the past. "I would like to advise people not to be in a rush to sell their paddy. They should dry it carefully and then store it. We will definitely accept pledges," said Mr. Chamlong.

The governor of the BAAC added that the BAAC does not have a policy on farmers who don't have barns and so no preparations have been made for such individuals. The BAAC will try to find central barns where these people can store the rice that they want to pledge. A reporter said that most farmers don't have a barn. And in the case of those who do, many of the barns are in poor condition. Mr. Chamlong said that regulations must be relaxed. Things can't be done strictly in accord with the standards. However, in the northeast, almost all of the farmers have barns, and the barns are in good condition. As for farmers who do not have barns, that is, farmers in the central region, the BAAC will loan them money to build barns.

The reporter asked whether there would be enough money if money is loaned to build barns. Mr. Chamlong replied that barns can be built using cheap materials. He is sure that this can be done. The reporter asked whether BAAC officials can be trusted. Mr. Chamlong said that the BAAC has confidence in its people and that BAAC personnel have never been involved in corruption. The reporter said that there was once a problem with rice disappearing. Mr. Chamlong explained that at that time, the BAAC did not store the rice itself. What happened did not involve the BAAC. The reporter asked if he was worried about people not repaying the loans. Mr. Chamlong replied that most farmers are already customers of the BAAC. We will rely on their credit rating. Today, more than 100,000 groups are customers of the BAAC. There have been very few problems. "Farmers are very honest people."

Mr. Thibong Tharungnawatt, the under secretary of agriculture and cooperatives, talked with reporters yesterday morning about solving the paddy price problem. He said that the Ministry of Agriculture has sent a report to the RPMC concerning collecting the rice of the agricultural cooperatives and farm groups. The ministry's policy is to slow down rice sales in order to keep rice from being snapped to the markets at the beginning of the season, which tends to keep rice prices depressed. The rice must be stored and sold after

prices have risen. This policy has been in effect since last year. The cooperatives will spend approximately 500 million baht, and the farm groups will spend approximately 300 million.

Mr. Thaloeng also said that the Ministry of Agriculture is now trying to keep the paddy from reaching the markets during the first 3-4 months. This is different from the Ministry of Interior, which is already purchasing paddy from the farmers. As for the other problems, it is the RPMC that is responsible for considering matters and taking action. The reporter asked what the rice situation is like today. Mr. Thaloeng said that the Department of Agricultural Extension conducted a survey and found that half of the rice has already gone to market. Rice yields are expected to be about the same as those last year.

Yesterday, at the Khon Kaen provincial administrative headquarters, Mr. Sakdi Ophong, the provincial governor, met with representatives from the districts and rice mills in the province in order to explain the Ministry of Interior's rice price intervention policy. Khon Kaen Province has received 12 million baht, and is requesting another 24 million baht. Mr. Sakdi said that the price of 5-percent jasmine rice produced in the province is now 2,470 baht per kwian. The prices of other types of rice are lower. The price of glutinous rice is 2,360 baht per kwian, which is a good price. In Khon Kaen Province this year, unseasonal rains ruined 60 percent of the rice and so the amount of rice reaching the markets will not be very great. As a result, prices should be higher.

That same day, in Chonburi Province, Mr. Sup Rotprasert, the governor of Chonburi Province, Phra Kittiwuttho, and the Paddy Price Intervention Committee led a group to make the first purchase of paddy from farmers. This took place at Wat Nok Khinon in Nok Khinon Subdistrict, Phan Thong district, Chonburi Province. Seven farmers sold a total of 30 kwian of paddy. The officials bought the paddy at 5-percent and 15-percent paddy prices, that is, 2,800 and 2,500 baht per kwian respectively. At the same time, Kittiwuttho had rice milled for the farmers. After the rice was milled, merchants came to purchase the milled rice. But before this rice was purchased, Kittiwuttho spoke about how to change the rice purchasing mechanism of the middlemen and mills. Besides that, he also showed the farmers a device to measure the moisture content of rice and a paddy cracking machine. The 100 farmers there showed great interest in these tools.

Mr. Sup Rotprasert told reporters that there has been criticism to the effect that this is not the business of monks and that Kittiwuttho should not be involved in purchasing paddy from farmers. But he said that he is not interested in what people think. This is being done to help the farmers and poor people. The rice mills won't help, because they are afraid of losing money. Thus, Chittaphawan has undertaken to provide help under the supervision of the province. The province is not afraid of losing money, because there are markets to provide support. If a profit is made, the temples will give the profits to the farmers in the form of fertilizer and rice seed.

Yesterday, Sublieutenant Praphat Lirapiphan, the deputy minister of foreign affairs, told reporters that he went to China to negotiate the sale of

agricultural products. The two countries have agreed to exchange data. In particular, concerning marketing and the setting of prices, particularly rice prices, China, which, like Thailand, is a rice exporting country, feels that producers will incur heavy losses if they try to undercut each other's prices. The way to avoid this is to set the same price and not compete by cutting prices.

Sublieutenant Praphat said that he will report this to the the chairman of the RPMC and tell him that we must find a way to set the same price. The Association of Rice Exporters should coordinate things with the Department of Foreign Trade in order to hold negotiations with the Chinese representatives.

The deputy minister of foreign affairs said that China used to have a problem with provinces cutting prices. This caused problems for them, too. China has established a coordinating center. This center will coordinate things with us. Also, in the past, foreign companies were hired to check the quality of the rice, and this cost a huge sum of money. It has now been agreed that only Thai and Chinese companies will be used for this so that our two countries profit.

11943

CSO: 4207/105

ECONOMIC COUNCIL APPROVES FARM SUPPORT PROGRAM

BK200323 Bangkok THE NATION in English 20 Jan 87 p 17

[Text] The Council of Economic Ministers yesterday approved a programme that will involve cooperation of the public sector, the private sector, financial institutions and farmers in promoting agricultural production to create jobs and increase income in rural areas.

At the same time, it approved the formation of the long awaited export credit guarantee fund.

The council also approved the formation of a coordination centre for this programme in the Office of Agricultural Economics, and a subcommittee on the coordination of cooperation in agricultural development between the public and the private sectors to be headed by Deputy Agriculture and Cooperatives Minister Suthep Thuaaksuban.

The Agriculture and Cooperatives Ministry also received permission from the Council to borrow 100 million baht from Japan to finance the programme. The loan is interest-free and repayable in 20 years.

The money will come from the Farmers Aid Fund to which Japan has provided soft loans for use in increasing agricultural productivity and food production.

Products that are eligible for assistance in this programme are classified into two groups:

Import Substitution Group: Dairy cattle, paper pulp, wheat, barley, rapid-growing trees for use as fuel, cotton, oil crop, cocoa, and silk.

Export Promotion Group: Vegetables, fruits, flowers, decorative plants, Basmati rice, mali-fragrant rice, beef cattle, goats, sheep, poultry, cashew nuts, marine products, herbs, pepper, sealing wax, honey, and vegetable seeds.

Under this programme, investors from the private sector will propose a project for the production of any of the above products and invite farmers to participate.

The private sector and the public sector will cooperate in providing farmers with soft loans. The bank for Agriculture and Agricultural Cooperatives (BAAC) is expected to play a leading role in this part.

The private sector will provide appropriate technology for farmers and assist them in both producing and marketing their products.

Projects in this programme must have clear goals of raising the income of farmers and providing jobs to rural people as well as unemployed college graduates.

The government will provide farmers with low-cost seedlings, breed stock, credits, fertilizer, and insecticides.

Government experts will advise farmers and help them launch their operation.

The government will also designate specific places as areas for the promotion of certain agricultural products and give some privileges as incentives to the private sector, like that being given to investors by the Board of Investment.

The financial institutions, notably BAAC, will join the private and public sectors in selecting qualified farmers to join various projects.

They will also provide farmers with operating capital in cash and in kinds.

Farmers, on the other hand, are expected to form groups to carry out their respective operation, and make full use of modern and appropriate technology.

Participation in this programme is voluntary. Farmers do not lose their right and ownership to their lands used in this programme. Neither will they lose any rights to acquire property and to enjoy public utilities and infrastructure.

Farmers will be able to obtain soft loans from BAAC. They repay the loans after they have sold their products at the end of the projects they have joined.

The government will compensate BAAC and other financial institutions which lend to farmers in this programme for their losses of income in lending to these farmers.

The Council, meanwhile, also agreed on the formation of the Export Credit Guarantee Fund to help Thai exporters.

The main objectives of this fund are aimed at:

- Promoting and support exporters, especially small, medium-sized and new exporters, in their competition with foreign counterparts;

- Preventing financial risks concerning exports;

- Helping exporters obtain credits as their circulating funds from the financial institutions.

The main tasks of this fund include:

- Guaranteeing exporters in their loans provided by financial institution especially credit guarantee fund for exports;
- Guaranteeing credits concerning risks in trade, politics and exports;
- Guaranteeing export documents such as foreign purchaser's letter of credit or documents involved construction auction in other countries;
- Examining ways for exporters to become members of the [word indistinct] Union, which will be of considerable value in providing export data and helping reduce risks from exports.

The operation of the credit guarantee fund will be operated through the Krung Thai Bank in the beginning stage. But doing reports on and the administration of the fund will be separated from the accounts and administration of the bank.

The Bank of Thailand will provide 160 million baht, an income it gained from the commercial banks as a result of a change in the currency exchange rate in November 1984, as a capital investment from the government sector.

/8309

CSO: 4200/284

BRIEFS

AGRICULTURE MINISTER TO VISIT U.S.—Tomorrow Agriculture Minister General Han Linanon will leave for the United States to discuss agricultural issues. During the visit, he will call on the U.S. Secretary of Agriculture to discuss agricultural and scientific and technology exchanges and cooperation in research on fish and shrimp feed, orange and livestock diseases, eradication of weeds by biological methods, and bee raising. He hopes that Thailand will receive assistance from the United States in addition to that already received in the agricultural technology and scientific knowledge exchange project which was valued at 130 million baht. [Text] [Bangkok Domestic Service in Thai 1300 GMT 20 Jan 87] /8309

ITALIAN OFFICIAL VISITS—Speaking to newsmen after meeting with visiting Italian Deputy Foreign Minister Bruno Corti at the Commerce Ministry, Deputy Commerce Minister Prachuap Chaiwasan said he and the two sides discussed trade matters. The Italian deputy foreign minister felt that the volume of trade between the two countries could be increased; Italy does not mind if there is a trade surplus in Thailand's favor. Italy feels that both Thailand and Italy should try to solve the problem of contaminated Thai frozen marine products exported to Italy; Italy will buy more of such products if it is assured that the contamination problem has been overcome. Italy is also willing to assist in the replacement of opium by coffee and in buying Thai coffee beans. [Text] [Bangkok Domestic Service in Thai 1300 GMT 20 Jan 87] /8309

RICE SALES TO PRC—Based on friendly relations and cooperation and in order to help boost the Thai agricultural product market, especially the paddy market, China plans to buy an additional 200,000 to 300,000 metric tons of rice from Thailand this year. An informed source told our correspondent last night that the China National Cereals, Oil, and Foodstuffs Import and Export Corporation will send a delegation to Thailand on 3 February to discuss details of the purchase. China's purchase of Thai rice will help boost Thai rice exports in the international market during the new rice season and help increase its price, and will directly benefit the farmers. [Text] [Bangkok ZHONG HUA RIBAO in Chinese 24 Jan 87 p 4] /8309

ITALIAN OFFICIAL ARRIVES--Italian Deputy Foreign Minister Bruno Corti arrived in Bangkok yesterday for a 2-day official visit, during which he will discuss trade and economic matters with his Thai counterpart. Mr Corti met with Thai counterpart Praphat Limpaphan yesterday, and will call on Foreign Minister Sitthi Sawetsila this morning. Mr Corti is expected to discuss trade, economic and political issues; including technical cooperation and free financial assistance programs for development and industrial projects in Thailand. Mr Corti will leave for home today. [Text] [Bangkok Domestic Service in English 0000 GMT 20 Jan 87] /8309

ST CHRISTOPHER-NEVIS DIPLOMATIC RELATIONS--Thai Foreign Ministry today issued a statement on establishing diplomatic relations between Thailand and Saint Christopher-Nevis. The statement says: Being desirous of promoting the existing friendly relations between the Kingdom of Thailand and Saint Christopher-Nevis, the Government of the Kingdom of Thailand and the Government of Saint Christopher-Nevis have agreed to establish normal diplomatic relations as from 16 January, 1987 and to exchange diplomatic representatives at ambassadorial level. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 16 Jan 87] /8309

DIPLOMATIC TIES WITH EL SALVADOR--The Cabinet yesterday approved a proposal to establish official diplomatic relations with El Salvador. The Thai ambassador to Mexico will simultaneously assume the post of ambassador to El Salvador because the Thai Embassy in Mexico is the nearest to the country. El Salvador is situated southeast of Honduras. [Text] [Bangkok THE NATION in English 21 Jan 87 p 2 BK] /8309

COUNTERTRADE WITH SFRY--Thailand and Yugoslavia yesterday entered a US\$40-million counter-trade agreement which was signed in Bangkok by Thai Commerce Minister Montri Phongphanit and Yugoslav Foreign Trade Minister Nenad Krekic on behalf of their respective governments. The agreement, reached after two days of talks, calls for a total bilateral trade value of not lower than \$40 million for this year. It also allows the counter-trade system to be applied to the trade activities between the two countries. Trade between Thailand and Yugoslavia topped \$18 million in 1985 with \$4.8 million in Thailand's favour. Last year, the figure for the first nine months was \$10 million with \$1.4 million in Thailand's favour. [Excerpts] [Bangkok BANGKOK POST in English 22 Jan 87 p 13 BK] /8309

TRADE DEFICIT DROPS--Thailand's trade deficit in 1986 has dropped significantly by about 65 percent over 1985--the 'largest yearly decrease recorded in the last 26 years. Last year, the country suffered a trade deficit of about 20,300 million baht, as against about 57,804 million baht in 1985. Dr Siri Kachareendi, chief spokesman of the Bank of Thailand, said that the service account registered a surplus of 21,300 million baht, an increase of 7.9 percent compared to 1985. The current account also registered a surplus, for the first time, of 1,000 million baht, as against a deficit of 42,000 million baht in the previous year, Dr Siri said. The net capital inflow was 15,700 million baht, lower by 35,000 million baht than the net inflow in the preceding year due to the debt ceiling set by the Government and the high liquidity in the local money market. As a result, the balance of payment registered a surplus of 33,500 million baht, while it was 21,000 million baht in 1985. [Text] [Bangkok BANGKOK POST in English 22 Jan 87 p 13 BK] /8309

SFRY TRADE MINISTER'S VISIT—Visiting SFRY Foreign Trade Minister Senad Krstic has paid a courtesy call on Communications Minister Banham Sinlapasittha to discuss aviation contacts between Thailand and the SFRY and has agreed to negotiate the issue in details in May. According to Banham, to go to the SFRY now passengers must fly Thai International to Frankfurt and catch another foreign airline flight from there to that country. For this reason, "next flights between Bangkok and the SFRY will be very convenient. Banham disclosed that he and the SFRY visitor discussed plans for the Port Authority of Thailand. The Cabinet has approved in principle for Thailand to buy six cranes from the SFRY. The project is in the stage of studying technical specifications and countertrading system. The SFRY minister also expressed to sell train cars, railway construction, and telephone network. (Text) [Bangkok Voice of Free Asia in Thai 1030 GMT 20 Jan 87] /8309

RICE PURCHASE FROM IRAN—A Trading Vice Minister reportedly received an order for some 150,000 metric tons of rice from Iran, valued over 400 million baht for shipment to Iran during the next few months. The order was possibly the third or single order made through a private firm for the past several years. It was also expected to be the largest single order to be made through a private firm this year too, and trade source added. The order was reportedly in 100 percent maximum grade white rice. Iran normally buys mostly second and third grade white rice. It was the seventh largest buyer of Thai rice last year with a total purchase of 174,425.10 tons. (Text) [Bangkok BANGKOK POST in English 23 Jan 87 p 19 BK] /8309

AILING FINANCE FIRMS AIDED—Monetary authorities yesterday decided to assist the state-owned Krung Thai Bank Ltd to provide assistance to 22 ailing non-bank financial institutions with iron-clad support from the government in the form of soft loans. Finance Minister Dr Suthi Singame had a meeting with his deputy Dr Suphachai Phanitchaphak, Bank of Thailand's Deputy Governor Chawalit Thanachanan and senior officials of the two units. They were joined by Krung Thai Bank President Thianchai Siwakit and Executive Vice President Sungsak Marakanon. The government has been seeking solutions to the problems plaguing the ailing finance and credit [word indistinct] firms. A rescue package was worked out in April 1985 but the firms still cannot overcome their difficulties caused mainly by liquidity problems. (Text) [Bangkok THE NATION in English 23 Jan 87 pp 1, 2 BK] /8309

TANTALUM PLANT SITE—The board of directors of Thailand Tantalum Industry Corporation (TTIC) has agreed to construct the new tantalum plant in the compound of the Map Ta Phut Industrial Estate in Rayong Province. The board chose Map Ta Phut as the new site for the construction for two reasons, first, it belongs to the Industrial Estate Authority of Thailand and secondly it is close to the site of the petrochemical plant complex. The board has also approved its new registered capital from 725 to 800 million baht and plans to ask the Government to inject another 175 million baht in a joint venture with the TTIC or 20 per cent of the registered investment. Mr Chen Bunsang, Deputy Director-General of the Department of Industrial Works and Mr Prachon Sirirattamrong, Deputy Comptroller-General were appointed as new directors to the board to replace Mr Athon Thongwathana and Mr Ekanit Singakorn who had resigned after the Phuket Plant was burnt down as last. [as printed] (Text) [Bangkok BANGKOK POST in English 27 Jan 87 p 3 BK] /8309

RUAM THAI PARTY OFFICERS--The Ruam Thai Party reelected Narong Wengwan as party leader and Piyanat Watcharaphon as party secretary general at the party's annual general meeting held on 13 January. The party also elected Rattakul Chaitichewarat, MP from Samut Thani; Chal-ongphon Samitwongchai, MP also from Samut Thani; Channong Phothisara, MP from Siakhet; and Wiraporn Pattanaporn, MP from Chiang Mai, as party deputy leaders. [Summary] [Bangkok MAIL/CHON in Thai 24 Jan 87 p 16 BK] /5309

FOREIGN LOAN REFINANCING--Deputy Finance Minister Supachai Panitchaphak disclosed that on 15 January the Foreign Debt Committee held a meeting chaired by Finance Minister Suthi Singame and discussed ways to restructure loans for certain development projects, in particular the airport road. The committee also discussed ways for enterprises to finance their foreign debt on short-term high-yielding rate risks by submitting their requests to the committee. Supachai said that Thailand's economic performance has satisfactorily earned its credit rating equal to that of some European countries. Thailand's national economic fund has now reached an unprecedented high of 100 billion baht. [Bangkok MAIL/CHON in Thai 26 Jan 87 p 4] /5310

END: 1207/110

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

TANJUG: SIHANOUK IN BEIJING: PRAISES VISIT TO SFRY

LD232158 Belgrade TANJUG in English 2022 GMT 23 Jan 87

[Text] Beijing, Jan 23 (TANJUG)—Yugoslavia's support to the search for a peaceful settlement for Cambodia has encouraged us since Yugoslavia is an influential country in the nonaligned movement, said president of Democratic Kampuchea Norodom Sihanouk in a talk with Yugoslav ambassador to China Zvene Dragan here today.

Dragan was among the party which greeted Sihanouk at Beijing airport on his return from visits to Romania and Yugoslavia.

Sihanouk said he was very pleased that his expectations from the visit to Belgrade and talks with top-ranking Yugoslav officials had been fulfilled.

During his six-day visit to Yugoslavia from January 18, Sihanouk met with President of the Yugoslav State Presidency Sinan Hasani and Prime Minister Branko Mikulic. During the talks both sides underscored their commitment to the principles of the Nonaligned Movement. They also expressed the hope for an early as possible peaceful settlement of the Cambodian question and the restoration of Cambodia's independent, neutral and nonaligned status.

/4309

CSC: 4200/284

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

THAI DAILY CITES SIHANOUK SON ON SRV PROPOSAL.

BK220122 Bangkok THE NATION in English 22 Jan 87 pp 1, 2

[Text] Prince Norodom Sihanouk, head of the Khmer resistance guerrillas, is expected to dismiss a new proposal by Hanoi that his UN-recognized government and Phnom Penh's pro-Vietnam regime meet to discuss the formation of a coalition government in Kampuchea.

Prince Norodom Rannarit, Sihanouk's son and commander-in-chief of the Sihanoukist army, told reporters last night that "he does not believe that his father will give such a gift to Vietnam."

Rannarit described the proposal, which was conveyed to Sihanouk by Romanian President Nicolae Ceausescu in Bucharest on January 12, as a "ploy" and said "if the Vietnamese really want to negotiate, why don't they make the proposal directly to the prince?"

He said Sihanouk is willing to negotiate with all parties involved in the Kampuchean conflict but he needs an agreement from his two partners--the Khmer People's National Liberation Front (KPNLF) and the Khmer Rouge.

An official of the National Sihanoukist Army (ANS) said Sihanouk, who is president of the Coalition Government of Democratic Kampuchea (CGDK), is expected to discuss with his two partners, Son Sann and Khieu Samphan, before making a response to the proposal.

Son Sann who heads the KPNLF is concurrently the CGDK premier while Khieu Samphan, the Khmer Rouge leader, holds the post of the tripartite regime's vice president.

However, Rannarit noted that the new proposal was made without mentioning anything about Pol Pot, the notorious Khmer Rouge leader who was blamed for the mass killings of Khmer people during his reign in Phnom Penh between 1975-1978.

"It can be considered a real change and progress," said the prince who is also Sihanouk's personal representative for Southeast Asia.

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CSU: 4200/284

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SON SANN MEETS TOP KPRLF SOLDIERS; ATTACKS REPORTED

BK240058 Bangkok BANGKOK POST in English 24 Jan 87 p 3

[Text] Ta Phraya, Prachin Buri--Khmer People's National Liberation Front forces have been harassing a Vietnamese supply line since Wednesday in western Kampuchea.

Military sources said the attack was launched on Vietnamese troops reinforcements, 12 105 and 150mm artillery pieces and a number of armoured cars that were despatched to the area opposite Ta Phraya District via a road from Thmar Puok District.

Some clashes took place only about a kilometre from the Thai border.

A large number of stray rockets and mortar shells landed on Thai soil near Ban Khok Makok, Ban Chiang Kham and Ban Sanle Cha-ngan, about 13-17 kilometres north of Ta Phraya, but inflicted no casualties.

In the area south of Aranyaprathet, there was heavy fighting yesterday inside Kampuchea opposite Ban AngSila and Nong Samet between Vietnamese soldiers and KPRLF fighters under Lui Ne and Lai Veera.

The fighting continued into the afternoon but casualties on either side were not known.

The sources also said that Democratic Kampuchea Premier Son Sann on Wednesday made a secret visit to his top military men at a border point to discuss strategy against the Vietnamese.

Later, he visited Site 2, which has over 140,000 displaced Khmers.

Reporters were asked not to take pictures of the event.

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CSO: 4200/284

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

THAI PAPER REPORTS KPNLF-SRV CLASH 22 JANUARY

SK220740 Bangkok BANGKOK WORLD in English 22 Jan 87 p 3

[Text] Ta Phraya--Heavy fighting between Khmer People's National Liberation Front forces loyal to Son Sann and Vietnamese troops took place yesterday morning inside Kampuchea about 15 kilometres north of Ta Phraya district town, sending three stray shells onto Thai soil, Zone 12 Border Patrol Police sources reported.

The two-hour clash began at 7 a.m. about one kilometre from the Thai border opposite Ban Khok Makok. The two sides exchanged fire with rifles, RPG launchers and mortars.

During the clash, three rockets landed in the field about two kilometres east of Ban Khok Makok but inflicted no casualties.

The sources said KPNLF soldiers had taken an order to attack Vietnamese positions in the vicinity of Ban Ampil, the former KPNLF headquarters taken over by the Vietnamese since late 1984.

Reinforcements of troops, heavy weapons and tanks were pouring into the area from Thmor Pouk in western Kampuchea opposite Ta Phraya District of Thailand, the sources said.

The Vietnamese at Ampil were believed to be responsible for the downing of a Thai reconnaissance airplane on January 2.

Meanwhile, the Kampuchean civilians inside Khao I-Daag camp which has been closed at the year end have so far not yet been removed [word indistinct] either Site 2 or Site 8. However, it is believed the evacuation will begin in mid-February after accommodations and transportation have been arranged.

All was quiet in the area south of Aranyaprathet District. However, noises of sporadic shelling were heard from deep inside Kampuchea, the source said.

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CSO: 4200/284

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUKISTS CLAIM 15 SRV SOLDIERS KILLED

BK140127 Bangkok THE NATION in English 14 Jan 87 p 2

[Excerpt] The Sihanoukist army yesterday claimed that its guerrillas Sunday attacked a Vietnamese position in the Kampuchean northwestern province of Battambang, killing 15 Hanoi's troopers and wounding 21 others.

Officials of the National Sihanoukist Army (ANS) said the ANS guerrillas from the first and second brigades launched a surprise attack on the installation of about 120 Vietnamese soldiers in Thmar Puok Village of Battambang about 100 kilometres from the Thai border town of Aranyaprathet.

They said the fighting lasted about 30 minutes and the guerrillas destroyed 33 military warehouses and seized two AK47 assault rifles, two heavy machine guns and about 10,000 rounds of ammunition from the Vietnamese troops.

The resistance officials also reported that the ANS last month launched four operations to cut off the Vietnamese supply routes inside Kampuchea. They said the anti-Hanoi guerrillas destroyed six Vietnamese military trucks and killed 37 Vietnamese troops.

The Sihanoukist guerrillas also seized seven AK47 rifles and about 12,000 rounds of ammunition, claimed the officials.

/S309

CSO: 4200/284

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

BRIEFS

SRV SOLDIER CASUALTIES--The Sihanoukist army claimed yesterday that its guerrillas killed and wounded over 2,000 Vietnamese soldiers in more than 300 military operations throughout Kampuchea last year. A press release of the National Sihanoukist Army (ANS) said the guerrillas killed 1,041 Vietnamese troops and wounded 1,101 others in 378 military operations against about 140,000 Hanoi's soldiers in the war-torn country. [Text] [Bangkok THE NATION in English 24 Jan 87 p 5] /8309

CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

KAMPUCHEA-SOVIET FRIENDSHIP WEEK HELD IN USSR

BK161252 Phnom Penh SPK in English 1125 GMT 16 Jan 87

[Text] Phnom Penh SPK January 16--During the Kampuchean-Soviet Friendship Week, gathering, art performances and meetings were organized in the Soviet Union to mark the eighth national day of the People's Republic of Kampuchea (January 7).

A delegation of the Kampuchea-U.S.S.R. Friendship Association led by its president Sim Ka on a visit to the Soviet Union also attended the activities of the friendship week.

All the speakers at the meetings underlined that the friendship between the Soviet Union and Kampuchea, based on the principles of Marxism-Leninism and proletarian internationalism, would further develop and deepen for the well-being of the two peoples and countries, and in the interest of world peace and socialism. They indicated that the Soviet Union had firmly decided to consolidate the friendship and multiform cooperation with the People's Republic of Kampuchea, to render all possible support to the Kampuchean people in their just struggle for the social progress, peace, good neighbourliness and cooperation in the region.

Film shows demonstrating the building of a new life on the land of Angkor and exhibitions of photos depicting the multiform cooperations between the two countries have also been organized on the occasion.

The friendship week, recently held in Moscow as well as in the capital cities of Kazakh, Azerbaijan, Kirghiz and Turkmen Soviet Socialist Republics, and other cities, permitted the Soviet people to learn more [of] the history, the culture and the real situation of the P.R.K.

/8309

CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

LEADERS RECEIVE NATIONAL DAY GREETINGS FROM POLAND, HUNGARY

BK120644 Phnom Penh SPK in English 0552 GMT 12 Jan 87

[Text] Phnom Penh SPK January 11--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council; and Hun Sen, chairman of the Council of Ministers, have received warm greetings from Polish and Hungarian leaders, on the occasion of the eighth national day of the People's Republic of Kampuchea (Jan. 7).

A joint message, signed by Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers Party and president of the State Council, and Zbigniew Messner, chairman of the Council of Ministers of the Polish People's Republic, said: "During a short period after the downfall of the genocidal regime, the Kampuchean people have, under the leadership of the People's Revolutionary Party of Kampuchea, obtained significant successes in the restoration of their ruined country and in the defence of their national independence and sovereignty.

"The People's Republic of Kampuchea has, thanks to its close cooperation with Vietnam, Laos and other socialist countries, had a firm position on the international arena. Your country's efforts for the maintenance of security and cooperation in Southeast Asia enjoy our strong support and sympathy.

"We would like to express our conviction that the friendship and cooperation between Poland and Kampuchea will further develop and deepen in the interests of our two peoples and two countries, and of socialism."

For their part, Janos Kadar, first secretary of the Central Committee of the Hungarian Socialist Workers Party; Pal Iasonczi, president of the Presidential Councils; and Gyorgy Lazar, chairman of the Council of Ministers of Hungary, highly praised the remarkable achievements recorded by the Kampuchean people in building a new society. They said:

"We support the great efforts made by the People's Republic of Kampuchea in consolidating peace and security in the region, and warmly hail the constant development and consolidation of the friendship and cooperation between our two countries and two peoples in the interests of peace and social progress."

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

HENG SAMRIN GREETSS CSSR'S GUSTAV HUSAK ON BIRTHDAY

BK131320 Phnom Penh SPK in English 1120 GMT 13 Jan 87

[Text] Phnom Penh SPK January 13--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council of the People's Republic of Kampuchea, has extended warm greetings to Gustav Husak, general secretary of the Central Committee of the Communist Party of Czechoslovakia [CPCZ] and president of the Czechoslovak Socialist Republic on his 74th birthday.

In his message President Heng Samrin says:

"Under the clearighted leadership of the Communist Party of Czechoslovakia with you as the eminent leader, the Czechoslovak people recorded great success in building a developed socialist society in Czechoslovakia.

"I am convinced that on the principles of Marxism-Leninism and proletarian internationalism, the relations between the two parties, governments and peoples will further consolidate with every passing day in favour of peace and socialism."

President Heng Samrin wished his counterpart the best of health, longevity and new, greater successes in the implementation of the strategic objectives defined by the 17th congress of the CPCZ.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

CSSR, HUNGARY, CUBA SEND NATIONAL DAY GREETINGS

OW191433 Phnom Penh SPK in English 1108 GMT 19 Jan 87

[Text] Phnom Penh SPK January 19--Chea Sim, chairman of the National Assembly of the People's Republic of Kampuchea, has received greetings from his Czechoslovak, Cuban and Hungarian counterparts on the eighth national day of the PRK (Jan. 7, 1987).

In his message, Istvan Sarlos, president of the national assembly of the Hungarian People's Republic said that he was pleased at the constant development of relations between the two countries and the peoples and especially of the cooperation between the two legislative bodies.

Alois Indra, chairman of the Federal National Assembly of Czechoslovakia, expressed great solidarity with and support to the Kampuchean people and his conviction that the relations and cooperation in all fields between Czechoslovakia and Kampuchea would develop with every passing day.

Flavio Bravo Pardo, president of the National Assembly of People's Power of Cuba expressed Cuban People's solidarity with the fraternal Kampuchean people in the just struggle for defending the territorial integrity and unity of the country.

All the three national assembly leaders wished Chairman Chea Sim the best of health and new successes in his noble tasks for the prosperity of the nation.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN AT INDUSTRY MINISTRY'S YEAR-END CONFERENCE

DK120640 Phnom Penh SPK in English 0602 GMT 12 Jan 87

[Text] Phnom Penh SPK January 11--The Ministry of Industry has just held its year-end meeting to review the last year's industrial production and set new objectives for 1987.

A report presented at the meeting said that the consumer goods production in 1986 vigorously developed with the state's revenue increasing by 43 percent over plan, and 15 percent over the 1985's.

Cigarette factories, distilleries, and ice-houses fulfilled their plans. The electricity output increased by three percent over 1985 while the mechanical engineering overfulfilled its plan by 26 percent, up by 40 percent over 1985, and the textile industry with 924 weaving looms achieved 98 percent of its plan but 36 percent higher than 1985's, etc.

In his closing speech, Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the Council of Ministers, highly appreciated the industrial achievements recorded in 1986. He stressed the necessity to raise the workers' professional skills and improve the industrial management.

He also urged for greater efforts to carry out all tasks in order to meet the local need.

At the meeting, rotary banners of the Council of Ministers were presented to Battambang Province and the distillery in Phnom Penh; and certificates of merits to the Kampuchea-USSR Friendship Power Plant, Engineering Plant No 1, Don Teay jute bag factory (Battambang), Power Plant No 1.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

GROWTH IN FOREIGN INDUSTRIAL COOPERATION CONTINUED

OW191431 Phnom Penh SPK in English 1102 GMT 19 Jan 87

[Text] Phnom Penh SPK January 19--The Kampuchean industry's cooperation with foreign countries particularly with the fraternal socialist countries has been strengthened and shown marked development.

Continuing from the 1985 cooperation, the Socialist Republic of Vietnam, in 1986, sent experts to the People's Republic of Kampuchea to train Kampuchean technicians and workers in producing machine spare parts, paints, calcium carbonate, making aluminum moulds of various types, and in conducting geo-mineral and other researchers. Meanwhile the Kampuchean Ministry of Industry sent three delegations to Vietnam for study tour and exchanging experiences.

From the Soviet Union, the ministry received 921 tonnes of electric gear and 40 of the 76 technicians as agreed upon. Moreover, the assembling of two more generators, for the second phase, at the Kampuchea-USSR friendship power plant and other generators in four provinces will be completed in 1987.

Always in 1986, 21 Czechoslovak technicians helped Kampuchea restore three stem kilns at the Kamlamx power plant, and two other technicians helped Kampuchean workers assemble the Czechoslovak-made 100 mini-power looms for the Kampuchean textile factory 3.

On cooperation with Poland, the ministry sent two geological cadres to negotiate on equipment to be sent to Kampuchea.

Moreover, the ministry received nearly 300 tonnes of industrial equipment from international organizations.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

SPK REPORTS FOREIGN DIPLOMATS' TRIP TO BORDER AREA

BK211320 Phnom Penh SPK in English 1129 GMT 21 Jan 87

[Text] Phnom Penh SPK January 21--It takes us about one and a half hours on board two Soviet-made helicopters from Pochentong Airport on Tuesday morning to Kop-Nimit commune, Sereisaophoan District, Battambang Province, a place where the local militia forces timely intercepted and duly punished in September last year a group of Khmer reactionaries infiltrating from their hide-out on Thai soil into Kampuchean territory and dragging along with them a number of Western journalists to see the so-called "liberated zone."

Flying over Nimit, all the ambassadors and military attaches, accredited to Kampuchea and accompanied by a group of local and foreign journalists on their tour of Poipet--a border post, are watching the peasants there busy in their last harvest. Young boys and girls in their school uniform are playing about in the school campus and some are waving us a greeting. The orchards and village with its thatched, corrugated-iron and tiled roof houses seems to be in its morning bliss under the warm sky of late summer.

At Nimit, we were warmly welcomed by a group of Kampuchean combatants and the authorities there. We proceeded to Poipet by two buses and cars along the bumpy road, which, according to some journalists, is however smoother than it was at a time when they had a chance to come there on the occasion of the fifth partial withdrawal of the Vietnamese army volunteers from Kampuchea. Along the road there are no dwelling houses to be seen except some turrets. "The population dare not live in these areas because it is under the range of artillery shelling from Thai soil," said an escort.

According to the weekly communique issued by the Kampuchean Ministry of Defence, there is hardly any day passing without Thai artillery shelling on Kampuchean border areas.

Poipet, used to be the place where, four days after the country's liberation on Jan. 7, 1979, Thai helicopters were sent to pick up Ieng Sary, the then vice premier of "Democratic Kampuchea" and his men in their plight from being chased out by the Kampuchean Army and people, is now strictly under the control of the Kampuchean Revolutionary Armed Forces, a well preserved building used as the headquarter of an army unit which takes charge of defending that particular area, and some other ruined houses are standing boldly under the eyes of about five Thai soldiers who were looking at us from a big tree at their side of the border.

On a section of the defense line near a turret in which stand two Kampuchean soldiers on guard with their machine guns, the ambassadors are looking to the national flag of Kampuchea and that of Thailand flying near each other, about 100 metres ahead, while all the picture hunters are [word indistinct] interesting images.

Five minutes later Thai national flag was seen taken down.

"They do not want us to see their national flag because it inevitably gives the idea that we are stationing near them, well defending our border areas," said Sa Moun, commander of the unit who guided us.

Sa Moun, who serves the Army since 1979, said: "The situation here is brought under firm control, but Thai authorities with their hostile policy toward Kampuchea have, on many occasions, sent their aircraft to [word indistinct] over from 10 to 15 kilometres deep inside Kampuchea. More serious still they harbour Pol Pot remnants and other Khmer reactionaries on Thai soil from which the enemy infiltrates into Kampuchea for sabotage activities against the peaceful life of the Kampuchean people."

Back to the provincial town of Battambang, along the road from Bek Chan Airport where the helicopters landed, new buildings are seen under construction while [words indistinct]. Flowers are blossoming in the gardens even under the hot weather and children are bathing happily in the Sangke River. "We highly value efforts of the Kampuchean combatants who firmly defend their country not only along the border but also in the interior," said Cuban Ambassador Viriato Mora Diaz.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

KYODO DESCRIBES LIFE IN PRESENT-DAY CAMBODIA

OW200951 Tokyo KYODO in English 0810 GMT 20 Jan 87

[Text] Phnom Penh, Jan. 20 KYODO—The spark of life appears to have returned to Phnom Penh eight years after the Vietnam-backed Heng Samrin government overthrew the Pol Pot government.

Citizens of this capital are beginning to fully enjoy peace.

Aided by steady food production, the Heng Samrin government, which seized power in January 1979 with Hanoi's support, is on the road to its country's reconstruction.

The country's economy is becoming stable.

Kampuchean children playing soccer in the alleys of Phnom Penh are friendly and look happy.

Kampuchean life is not necessarily rich, but there is food for sale in the city's markets. Also, plenty of Japanese electrical appliances and western products, brought here via Thailand, are on display.

Consumer prices are stable and rice prices remain unchanged from May last year at 12 riel (about 60 yen) per kilooy.

Prices of some foodstuffs though, such as pork, have risen about 30 percent.

One U.S. dollar is about 125 riel on the black market compared with the official exchange rate of 30 riel to the dollar.

The Kampuchean economy is being stabilized thanks to Soviet and Vietnamese assistance in the military and economic fields.

But it is also because the country's population is relatively small. Although the food output was reportedly below the government's goal, there appears to be plenty of food available.

Bumper crops were reported in 1986 and were certain to exceed the 1985 production volume.

Phnom Penh is under curfew from 9 p.m. to the following morning. But there are not many troops assigned to guard duty at government office buildings, the Soviet Embassy, at the airport or patrolling the streets.

Vietnamese sources said Kampuchea's three coalition forces opposed to the Heng Samrin government lost their key bases along the Thai border in a battle during the dry season two years ago.

They find it difficult to fight in the western part of Kampuchea, the sources said. They are mostly engaged in sporadic guerrilla warfare in the eastern part of Kampuchea.

The sources said if the present military situation continues, Hanoi would be able to carry out its pledge to withdraw all Vietnamese forces by 1990.

Vietnam has been urging an early start of talks designed to resolve the Kampuchean issue through political discussions on condition that Vietnam withdraw all of its forces from Kampuchea and that the Pol Pot's Khmer Rouge be excluded from the talks.

However, China which supports Pol Pot, was reported to have started attacking Vietnam on the Sino-Vietnam border on January 5 on a scale said to be the biggest in the past several years.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

MEN SAM-AN RECEIVES WOMEN'S DELEGATIONS

BK170215 Phnom Penh SPK in English 1119 GMT 16 Jan 87

[Text] Phnom Penh SPK January 16—Women association delegations from Cuba, the United States, the Philippines and Sweden, left here Thursday morning, after a three-day official friendship visit to Kampuchea.

The delegation from Cuba was led by Maria Leonor Rodriguez, cadre of the Department of International Relations of the Federation of Cuban Women; from the United States by Barbara Cohen, medical doctor psychiatrist and member of the U.S. Committee for Scientific Cooperation With Vietnam; from the Philippines by Nelia Sacho Liao, researcher and woman activist and national secretary general of Gabriela National Women's Coalition; and from Sweden by Marina Thorborg, representative of the Swedish Agency for Research Cooperation With Developing Countries (S.A.R.E.C.).

The delegations were seen off at Pochentong Airport by Ros Serei, head of the international department of the Association of the Revolutionary Women of Kampuchea; and other women officials.

While here, the delegations were warmly received by Men San-an, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and president of its Commission for Organization, and Yos Son, member of the party Central Committee and president of its Commission for External Relations.

The delegations held talks with Mean Sam-an, member of the party Central Committee and president of the Association of the Revolutionary Women of Kampuchea. They also visited the Tuol Sleng Museum of genocide, the former royal palace and several state industrial establishments in Phnom Penh.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

SPK REPORTS MISLED PERSONS RETURN IN BATTAMBANG

BK280628 Phnom Penh SPK in English 1114 GMT 27 Jan 87

[Text] Phnom Penh SPK January 27--On January 10, this year, 38 sereikas (Sonsannians) reported themselves to the revolutionary authorities at Prek Sdau commune of Battambang District, Battambang Province, 300 km northwest of Phnom Penh.

They brought along 35 fire arms including 35 AK-47 rifles, four rocket-propelled grenades (B-40). Of the 38 ralliers, there were one company commander and two platoon leaders. They were in Battalion 615, 245 and 256, seeking refuge at the Tonle Sap Lake area.

In 1986, 370 people led astray by enemy propaganda rallied to the revolutionary authorities in Kompong Cham Province, 100 km northeast of Phnom Penh, bringing along 132 assorted guns and a quantity of ammunition.

Of the ralliers, 212 were ex-Polpotists and 158 ex-Sereikas (Sonsannians). The [as printed] came, four times, in group from 7 to 14 persons and 60 percent of them were proselytized by their relatives.

The returnees were provided with all facilities to embark on a new life with their family and were granted full citizenship.

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CSO: 4200/284

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

YOUTH UNION CONGRESS PRESS CONFERENCE--Phnom Penh SPK January 27--A press conference has been organized recently in Phnom Penh by the People's Revolutionary Youth Union of Kampuchea on the preparation of its second congress. Addressing local and foreign newsmen, Sam Sundoeun, member of the People's Revolutionary Party of Kampuchea Central Committee, secretary A.I. of the P.R.Y.U.K. and president of Association of Revolutionary Youth of Kampuchea, recalled the history of the foundation of the union since June 1955 under the leadership of the party and the consolidation of the union at various units, particularly in the Army. He underlined that the second congress of the P.R.Y.U.K., which was to be held early March this year, would review the achievements as well as the activities of the young people over the past seven years in national defence and construction and work out new task for the period from now to 1990. The first such congress took place in March 1956. [Text] [Phnom Penh SPK in English 0440 GMT 27 Jan 87] /8309

CUBAN REVOLUTION ANNIVERSARY MEETING--Phnom Penh SPK January 2--A meeting to mark the 28th anniversary of the victory of the Cuban revolution (Jan. 1) was held in Phnom Penh Wednesday. Addressing the meeting, Chheng Phon, candidate member of the People's Revolutionary Party of Kampuchea Central Committee, minister of culture and information and president of the Kampuchea-Cuba Friendship Association, recalled the Cuban people's revolutionary struggle against the Spanish and American yokes, and highlighted their uprising under the leadership of Fidel Castro to open a new page in their history--that [of] freedom and democracy. Also present at the meeting were Men Chhan and Tep Vong, vice chairmen of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland; and Dit Munti, deputy minister for foreign affairs. Members of diplomatic corps to Kampuchea were also present. [Summary] [Phnom Penh SPK in English 1115 GMT 21 Jan 87 BK] /8309

PARTY DELEGATION RETURNS FROM SRV--Phnom Penh (SPK) 17 January--A delegation of the Kampuchean Central Committee led by Uk Sipha, deputy head of a department of the commission for propaganda and education of the party Central Committee, returned to Phnom Penh Thursday morning, after a 10-day official friendship visit to Vietnam. The visit there was made in the furtherance of a cooperation program on the ideological work between the Central Committees of the Communist Party of Vietnam and the P.R.P.K. During their stay, the Kampuchean lecturers paid tribute to the late President Ho Chi Minh at his mausoleum and had working sessions with their Vietnamese colleagues. They also gave lectures at several production establishments in Nghe Tinh Province (central Vietnam) and toured several scenic places in Hanoi and some other localities. [Text] [Phnom Penh SPK in English 1123 GMT 17 Jan 87 BK] /8309

READER BEMOANS PLIGHT OF EVER-SACRIFICING FARMER

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Oct 86 p 1

[Article by Ha Huu Son from Cu Chi in the column "Contribute Ideas to the Party Congress": "The Farmer's Feelings Toward the Party"]

[Text] Our country, from north to south, is situated in the tropical zone, is favored by nature, and has mountains, rivers, fields, and seas with four seasons of fresh fruit, but it also has fairly severe conditions: blistering sunlight, biting cold, storms, floods, drought, harmful insects, etc., tangled up together and, in recent years, with somewhat serious effects.

Experiencing two protracted wars of resistance full of sacrifice and hardship, the farmer has followed the party with one heart. The farmer class is the inexhaustible source of personnel, property, and material support of the people's war, the comrade in the same trench with the working class in the national, democratic revolution.

We feel deeply for wives separated from husbands, mothers separated from children for years but who still fulfilled the rear obligation: plowing during the day and transplanting rice at night to have shares of rice to send to the battlefield. Meanwhile, who knows how many grains of rice have soaked up the blood of the people at the rear in the American aggressors' brutal "war of destruction."

We feel deeply for the farmers of region 4 who, guns and plows in hand, have protected the vital roadways. Simultaneously sending children to the "outer line" to live and study while seeing beloved children off to the "inner line" for combat; giving shelter to troops going south, giving up beds for the wounded going north from 1 year to the next with never a complaint or a groan.

We feel it deeply when, at the end of an enemy bombing raid, mothers and sisters carried water and took gifts all the way up to the artillery position, mended soldiers' jackets, fed soup to wounded soldiers and, when needed, removed doors from their homes to cushion the roads for vehicles to cross at key points while grandmothers and mothers in the south dug tunnels to hide cadres and wounded soldiers as the aggressor sought them out, yet they gritted their teeth preferring death to being estranged from the party.

We feel it deeply when one the altar of the many Cu Chi are not one but three, four, five "Merits for the Fatherland" certificates.

How many families like this are there in our country?

For the past 10 years or more we have had many political, economic, cultural, social, security, national defense, successes, etc. but we have also had failures the greatest of which is the erosion of the people's confidence in the party.

If in the national, democratic revolution the farmer "prefers death to being estranged from the party," then in the socialist revolution there have been not a few sighs and a lack of confidence in the line and policy of the party and doubt about the future.

After innumerable years of war, everyone has a dream to live a life of freedom, comfort, and happiness, but we have not been able to do much so far. The collective ownership right of the people has been violated; there is weakness in propaganda and education, strength in ordering and forcing pursuit of achievement to report to higher levels; there is retaliation against honest people who dare to state their real thoughts and aspirations; bureaucracy and paperwork are still stressed and policies for expanding agricultural production are inadequate, there is tax collection and procurement at irrational prices; agricultural supplies are in extreme shortage while the black market has everything?!

The life of the farmer is still very miserable. They still have rundown thatched huts because they do not have enough money to buy material and sometimes they remain that way even when they do have money because they don't know how to cross the "revolutionary barrier." Food and drink are insufficient and there is not enough to build up labor strength, giving rise to illness and disease. Hospitals lacking medicine give prescriptions to buy it on the outside (but where does the money to buy it come from?!) There are shortages of electricity and schools, the academic level is low, births are not planned, and children with protuberant bellies suffer from serious malnutrition; some areas (such as Cu Chi) not far outside the city sometimes go an entire year without hearing the sound of singing from one of the city's professional cultural entertainment groups, not to mention foreign circuses and theatrical groups.

Difficulties and shortages the farmer can understand, but injustice in our society cannot be accepted. A number of cadres and party members take advantage of laxity in party discipline and state laws to enrich themselves unjustly yet are not punished, form gangs, and cover up.

It is indeed extremely absurd when someone who produces products to feed us (and previously aided and protected us) is looked down on and scorned?!

Our party has wisely seen the "slippery slope" and promptly "applied the brakes." The criticism and self-criticism campaign in the spirit of speaking directly and truthfully is the effective prescription right now and has initially regained the confidence and love of the public.

I would like to make some recommendations to the party congress:

- Be truly concerned about agriculture: set forth rational investment policies for production and policies for land, taxes, procurement, prices, etc.
- Be truly concerned about the outlying areas of the city and the life of the farmer, and satisfactorily meet daily needs, needs for home building material, transportation (including roads), electricity, schools, medical aid stations, medicine, culture, travel, etc.
- Truly restore party discipline and state laws. Establish social equality. Sternly punish those who enrich themselves illegally and those "bearing the communist name who tarnish the prestige of the party" at whatever level.

The farmer is waiting for the party congress, for decisions to be truly "pleased with the party, satisfied with the people."

6915/12913

CSO: 4209/166

HIGH COST OF LIVING IN HO CHI MINH CITY DETAILED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Oct 86 pp 1,4

[Excerpt from a statement by Nguyen Thi Rao (Ba Thi), labor hero and director of the Municipal Grain Corporation: "Correct Errors and Shortcomings, Strengthen the Worker-Farmer Alliance"]

[Text] Our municipality is an industrial one with a nonagricultural population of more than 3.2 million people and more than 300,000 visitors regularly. Consequently, guaranteeing living conditions, especially grain, is very difficult.

Grain needs in the city reach 46,000 tons monthly, of which 37,000 tons are rice and the remainder is various types of processed grain.

Meanwhile, the amount of grain allocated by the central government to the city averages 32,000 tons per month. If 3,000 tons of rice for the outlying areas is figured in, the total is 35,000 tons per month. However, for any month the city receives only 60 to 70 percent of the plan norm from the central government.

Our country, a small agricultural country in the first stage of the transitional period of moving up to socialism, must step up development of grain production. As Stalin stated, grain is the starting point for developing national economic sectors. But we have committed grave errors, affecting and fracturing the relationship of the worker-farmer alliance.

The state does not invest a large amount of agricultural material, it buys rice at a price of 2.2 dong, some at 2.5 dong, per kilogram, and buys pigs at a dirt cheap price as well. For example, since October 1985, the state has exchanged with farmers at the following level: urea fertilizer-3 kilograms of rice=1 kilogram of fertilizer; insecticide-12 kilograms of rice=1 kilogram of insecticide; cement-2.2 to 2.7 kilograms of rice=1 kilogram of cement; 1 kilogram of iron=8 kilograms of rice.

To have a pair of ladies black pants made from domestic French cloth, farmers must sell 2.4 quintals of rice at a price of 2.2 dong per kilogram. To buy a Western suit of clothes made from ordinary Cheviot woolen cloth and a "KT" shirt for a son's wedding, a farmer must sell 27 gia [1 gia equals 20 kilograms] of rice. One 2,700-dong bicycle equals the selling price for 2.4

tons of rice. If suffering from a fever, one must buy two pills at a price of 25 dong, equal to the price of 1 gia of rice.

The state collects from the farmer a 15 percent tax in rice or 15 gia of rice for 45 days of socialist labor if no work was done. Moreover, there also are regular contributions such as support to the fatherland's frontline, water conservancy, feeding troops, Tri An hydroelectric power, the public debt, tuition for children, fees for collectives, etc., 13 items in all.

In addition to buying agricultural materiel, the farmer must hire labor for plowing, raking, transplanting, sowing seedlings, weeding rice, 10 kilograms of rice each working day, figuring out to a cost of who knows how much.

As a result, the farmer is not enthusiastic about production.

The state seriously lacks agricultural materiel. The farmer is concerned about not having enough fertilizer for simple production, let alone for expanding production.

The farmer class in the war of resistance was regarded as the revolutionary main force. After liberation, many cadres had "fear of rich farmers," so they regulated excessively, giving rise to negativism. They became estranged from the principle which Lenin felt was the loftiest principle of the dictatorship of the proletariat -- firmly maintaining the worker-farmer alliance block. Because of the wrongdoing mentioned, the central government's grain shipment plan was not carried out satisfactorily. Many farmers only produce enough to eat. If the state wants to buy pigs or rice it must have goods to exchange or cash before the farmer will sell. For the past several years, our city has also had to have goods or cash to buy rice at a flexible price and has not been able to buy at a favorable price anymore. Since the beginning of 1986, our corporation has delivered to provinces over 40,000 to 50,000 tons of urea fertilizer and a large volume of cement, other merchandise, even a thousand "Co-le" and BS machines, 4 tons of cloth, detergent, etc., to buy rice for the city. The rice was purchased at a price of 23 dong per kilogram for resale at 17 dong per kilogram. Such a reasonable price is because the city has a stock of goods. There must be an impact on production to obtain sources of grain goods, to have a monopoly in the grain business, to take over the grain market in the city. But as long as this situation lasts, we will have a deficit.

From the realities of the Grain Corporation we wish to make the following recommendations:

- 1) The party and state must correct serious errors regarding the worker-farmer alliance. We must invest at the proper level, using the Mekong River delta area as the real key. If enough agricultural materials are invested here, average yields will be 4 tons per hectare and each year there will be two seasons with harvests of 24 million tons of rice per annum. If agriculture in this area develops, we will have the capability to raise more pigs and millions of ducks for export, then import materiel for farmers, providing schools for their children, hospitals for when they are ill, and roads for better transportation.

2) The state must forcibly reduce staff, regarding this as discipline. The cadre and worker structure is excessive and sustaining it is impossible.

3) We ask that the central government assign a grain mobilization norm sufficiently balanced against the needs of the city. For the area of mobilization, please assign in a centralized and stable way. With approximately three or four provinces the city can then actively contribute help to production, centralize fertilizer and insecticide, and promptly expand production.

6915/12913

CSO: 4209/166

REFORM OF PRIVATE BUSINESS, TRADE PUSHED IN HO CHI MINH CITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Oct 86 pp 1,4

[Article by Quoc Vinh: "Business Cooperation: A Suitable Concept of Reform"]

[Text] In the speech to precinct and district and department, sector, and service leadership cadres on 10 September 1984, which referred to socialist reform efforts regarding private industry-trade, Nguyen Van Linh stated: "Our city is in the first stage of the transitional period, and the economy, with five components, has conditions and special characteristics which are very complex. Thus, stepping up socialist reform with regard to private industry-trade is a large and complex task. Consequently, we should have correct substance, flexibility, and suitable steps to fully exploit the city's potential, enable production and business to expand, attract considerable labor, turn out many products for society, produce more and more products and goods for daily life and export, and contribute to society's prosperity. The guiding thought above has been put forward for implementation by the municipal party committee in a number of transitional forms such as enterprises engaged in joint ventures with respect to production installations, cooperating in business or using agents and skilled workers for business, trade, food and beverage and service installations. In particular, since the end of 1985, the reform of private industry-trade has been directed in combination with each step in building the new management mechanism, ensuring the basic economic unit's right of self-control of production, and contributing to carrying out the CPV Central Committee's resolutions 6, 7 and 8. The most outstanding feature in the guiding thought of the municipal party committee concerning the reform task is to coordinate reform with building, relying mainly on the latter, to uniformly carry out three measures (economic, educational, administrative), and make use of suitable concepts of reform based on a firm grasp of the party's viewpoint on the objective existence of the five components of the economy and reform -- something to be done regularly and continuously throughout the transitional period.

The aforementioned viewpoint and position on reforming private industry-trade when put forward, received broad response from all strata of the masses and approval from industrial and trade circles. The specific result is that numerous industrialists and traders have contributed their capital, materials and equipment, and skills in the effort to develop the economy. The "gathering" of industrialists and traders in the party's and state's forms of reform is a noteworthy achievement in social management (we recall that

previously -- in the 1978 drive to reform the commercial bourgeoisie -- production and business came to a standstill and declined due to more emphasis on "abolishment" than building. Without accepting such a type of reform, and because of life and because individual production forces sought in every way to "burst out," we could not manage. Then, private merchants were allowed to grow, spread, and scatter all over the city, damaging the market and living conditions). According to the report from the Municipal Reform Department for Private Industry-Trade and Market Management, by the end of June 1986, the city had built 82 joint-venture enterprises and 248 cooperative stores with nearly 10,000 shareholders contributing 107.7 million dong. We have sought to understand and put to use initially the dynamic business mechanism of industrialists and traders in order to gradually put them into the management orbit of the state. A contingent of management cadres and personnel (nearly 4,000 people), mostly from the young rank, is being trained and tested from the management medium, and business cooperative stores will surely be the important management force reinforcing the economic sectors hereafter.

The result of reforming private industry-trade over the past 3 years in the city has proven that the guidance position is correct and in keeping with the initial step of the transitional period. In the expansion and organization phases, however, there are weaknesses and shortcomings.

First of all is the problem of meeting norms during the period of socialist reform with regard to private industry-trade. In 1985, as the result of meeting the requirement to "basically complete the reform effort," many sectors and localities worked simultaneously and furiously, spreading over a wide area, many places even introducing industry into business cooperation. But there was no management mechanism and material condition to promptly meet requirements. The lack of preparation of cadres and policies created big shortcomings with respect to managing reform objectives (the review report of the third municipal party organization central committee stated: "The Central Committee has shortcomings and wants to reform quickly. This has led to reform emphasizing form and failure to guarantee reform, to enable production to expand and living conditions to stabilize and gradually be improved").

The second problem is the problem of "reform associated with building, relying primarily on the latter" and "reform in order to use and use in order to reform better." This has been the correct and incisive viewpoint of the municipal party committee since the Third Municipal Party Organization Congress. But when organizing to carry reform, there is a widespread shortcoming of many sectors and localities which is the failure to be fully concerned about the building aspect. Cooperative stores, because of a flexible business mechanism and profits in cash, do not organize management closely. Thus, at certain times and in certain places there arises a force which competes with state trade and cooperatives and "engages in" disrupting the order of the distribution and circulation front. In production, some joint venture enterprises, due to management laxity, have let private merchants hide in the shadows and have granted non-specific contracts for them to perform, collecting profits only periodically. Teaching the socialist business viewpoint and training cadres, if not done from start to finish, will lead to a situation in which a number of cadres, put into cooperative stores, will be bought off by shareholders and become ineffective in management.

The third problem is the management mechanism. An urgent requirement with regard to reforming private industry-trade presently is to connect reform to changing the management mechanism, not only with regard to the state economic block but also the transitional economic forms (joint-venture enterprises and cooperative stores). We must use the principle of "productivity, quality, effectiveness" as the yardstick for production and business operations. Our management with regard to the cooperative sector, applied according to the model for the management of state units (especially, accounting), is ineffective and affects the legitimate interests of the consumer (for example, because the profit structure is high, many funds must be paid and the price of goods is jacked up). The figure of 4,000 management cadres and personnel for nearly 10,000 cooperative shareholders presently (one management cadre for every three shareholders on the average) proves that the management structure is too cumbersome and expensive, and must be cut back to attain effectiveness in business. On the other hand, in each period we have failed to promptly enact specific policies on mobilizing capital, on procedures for distributing profits, and on organizing management, etc., which has overwhelmed many basic units when undertaking reform.

Looking back over the past 3 years, we clearly realize that the guiding viewpoint and concept of the municipal party committee and municipal people's committee on socialist reform with regard to private industry-trade is correct and flexible. The transitional and cooperative format has been accepted by the reformer. To correctly evaluate things, strengthen the results of reform, and continue to undertake appropriate, firm steps are the essential and urgent requirements contributing toward the expansion of production and the stabilization of living conditions.

6915/12913

CSO: 4209/166

VIETNAM FALLS SHORT OF AGRICULTURE GOAL

Bangkok BANGKOK POST in English 13 Jan 87 p 2

[Text] Vietnam's farm production has fallen short of the target of 5 percent increase for 1986 while its farming system cannot produce large increases in the future, a Food and Agriculture Organisation (FAO) report said.

The report estimates Vietnam's 1986 farm production increase to be less than 2 per cent, not enough to keep up with its 2.1 per cent population increase.

"The results of the present agricultural campaign for 1986 have not yet been published, (but) it is clear that the target of 20 million tons of food has not been reached."

The report estimates Vietnam's production for 1986 to be 18.4 million to 18.5 million tons, consisting of 16.1 million tons of paddy, 0.6 million tons of maize and the remainder being manioc and sweet potatoes.

The government will, no doubt, blame this year's poor results on the bad weather, typhoon and pest attacks," the report added.

The FAO report said that "the present agricultural system has simply exhausted its possibilities and cannot produce large-scale increase in yields for the future."

Since 1983 when the fixing quota system was introduced, a 5 per cent yearly increase in food production was achieved up to 1985.

"Apparently the farmers' cooperatives have no longer any incentive to work for a higher production. With their present

income they cannot buy the essential goods necessary for their daily needs as they are not available.

"There is also a lack of fertilisers, pesticides and mechanisation especially for harvesting which causes tremendous post harvesting losses.

"For these reasons it is impossible to expect any substantial increase in agricultural production," the report said.

The FAO report said that only by introducing high yield varieties and the stimulation of better work performance could increases be achieved.

"The government realises that there is a need to emphasise more on better management of the cooperative farms and to produce or import consumer goods in order to give the farmers an incentive to produce a higher agricultural output.

"But is that enough to improve the situation? Only time will tell," the report said.

During the second half of last year Vietnam's economic performance did not change compared to previous periods with production of goods for daily use remaining "inadequate" and of low quality.

Although an increase has been noticed in the industry, mining, agri-

cultural and fishery sectors, this increase is still below the target for 1986, the first year of the new Five-Year Plan (1986-1990).

The report said that inflation continues to rise "and is a major burden to the majority of the population" who live on fixed government salaries and have a very low purchasing power.

"Although the government, by keeping prices in government-run shops unchanged and by freezing salaries, has tried to ignore the inflation effects of the 'free market,' it was forced however to take measures and devalue the dong by 533 per cent (from 15 to 80 dong to the US dollar) as of November 1, 1986."

The report said that this measure has contributed to some improvement on the market but the illegal exchange rate of dollars still remain high although the government is striving to strengthen the dong by producing more consumer goods, better control of prices and through investment.

Consumer good production rose by 6.3 per cent over 1985 figures but the "rising unemployment," reported as some four million is "another heavy burden," the report added.

THAI PAPER VIEWS HANOI CATHOLICS, PARTY POLICY

Bangkok BANGKOK POST in English 31 Dec 86 1 5

[Article by Jacques Bekaert]

[Text]

"A JOYFUL celebration" was how the official Vietnamese News Agency described Christmas in Hanoi and the rest of the country. In the capital, "tens of thousands of Christians and foreign guests attended the mass held at the grand cathedral and parish churches," wrote VNA.

But if Catholics were honouring the birth of Christ, they were also busy "welcoming the success of the Sixth Party Congress," elaborated the agency.

In the former imperial capital of Hue, local sections of the Fatherland Front and youth units arranged get-togethers with the Catholic laity, visits to the parish churches and local vicars, and meetings with Catholics who have outstanding achievement records in production and work.

The VNA made a point of quoting Archbishop Nguyen Van Binh who, at a mass at Ba Chieu church in Ho Chi Minh City, "urged his correligionists to make grater efforts in national construction to accomplish the dual obligation of Christians to 'worship Christ and love the country' in order to successfully carry out, together with the people in the whole country, the resolution of the Sixth Congress of the Communist Party."

A few weeks ago, on October 23, shortly before the Sixth Congress,

Nguyen Van Linh gave an important speech to the Ho Chi Minh City fourth party congress. It was a rare occasion when the existence of a strong and sometime antagonistic Catholic minority was publically mentioned.

Most of them, explained the man who was soon to become the secretary general of the Communist Party of Vietnam, "are patriotic working people" and there should be "policies and measures to help them find employment, to care for their material and spiritual life and to heighten their political awareness so that they may become increasingly attached to the common cause and live in harmony with the national community." Special attention, said Nguyen Van Linh, must be given to the Christian teenagers and children.

Good contact should be maintained with the "ranks of Catholic priests," so that "they may discharge their responsibilities toward religion and life, in the interest of God and the fatherland."

But, as always, the regime should uphold "vigilance and adopt measures to promptly unmask and

severely punish reactionary elements and to check and frustrate their schemes and acts aimed at drawing the Catholic population into counter-revolutionary activities."

Vietnam, like most communist countries, has experienced problems with its Catholic population. Many Christians left the North in 1954, following the Geneva Agreements, to seek refuge and start a new life in the South. Twenty years later the Communists caught up with them. Relations between church and state have at best been tense.

The new, more conciliatory tone after the Sixth Congress is reflected in another article published on Christmas Eve by the VNA. Under the title "Impressions of a Catholic," it dealt with subjects so far rarely treated by the official media: Catholics and officials from the former Saigon regime. The author, Lieutenant Colonel Nguyen Manh Tuan, is a good Catholic. He was also simply expressing "his confidence in the economic policy of the government."

After "attending a political

course for former Saigon officers," explained the colonel, he and his family started repairing bicycles. In 1979, the colonel obtained the permission from the Saigon authorities to open a small engineering workshop where he worked with his family and relatives. The "Nguyen Dinh" scissors were born and soon won several gold medals. In 1984 scissors were exported for the first time to the Soviet Union, where -- wrote VNA in the French version of the same text -- they were "highly appreciated."

In 1986 the scissors workshop became a joint state-private enterprise. The present target is to produce 75,000 pair of scissors a year. Out of the 73 people working at the Nguyen Dinh factory, "one-third are Catholics," noted VNA.

Colonel Nguyen Manh Tuan is not only a Catholic. Although his wife has a French citizenship, he has refused to leave his fatherland because "I had studied many years in the United States and knew what it was like, and in my view nowhere could one be happier than in the homeland."

Hanoi is realistic though. The

colonel may have stayed, but many left, legally or not. According to the same official news agency, quoting Deputy Foreign Minister Hoang Bich Son on December 24, there are today more than one million overseas Vietnamese living in "over 40 countries." Once considered as largely opposed to Hanoi and the recruiting ground of all kinds of anti-socialist activities, the overseas communities have recently been given new and more polite attention by the Vietnamese regime.

The VNA explained that a poll conducted in 1985 in the United States, where half of the overseas Vietnamese live, 92 per cent of them declared they dreamed about Vietnam, 89 per cent said they were proud of being Vietnamese and 88 per cent said they preferred their Vietnamese names to their new American ones.

"The above-mentioned realities," wrote VNA, vindicated President Ho Chi Minh's observation several decades ago that "every Vietnamese can become a patriot."

If there is indeed a "small number of anti-national reactionaries"

among the overseas Vietnamese, explained VNA, "the overwhelming majority are national-minded, including a growing number of ardent patriots."

Hanoi has already stepped up its approach to the various Vietnamese communities abroad. The indirect support of these men and women is crucial for the immediate future of the country. Each year, overseas Vietnamese send more than \$100 million back to their homeland. In the spirit of overture following the Sixth Congress, and in view of the economic emergency facing Vietnam, you can expect Hanoi to provide the Vietnamese abroad with increased facilities and incentives to visit relatives and birth places or even come back to "the ancestral land" so that they can die at home without having to have their ashes "sprayed in the Pacific in the hope of being washed to the Vietnamese shore..."

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DATE FILMED

MARCH 17, 1987



